REPARATION COMMISSION

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REPARATION COMMISSION

VII

DISTRIBUTION OF THE PRE-WAR AUSTRIAN AND HUNGARIAN DEBT

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DISTRIBUTION OF THE PRE-WAR AUSTRIAN AND HUNGARIAN DEBT

The Treaties of Saint-Germain and Trianon prescribe that the liability for the former Austrian and Hungarian pre-war public debt should be distributed between the various "Succession" or "Cessionary" States which have arisen out of the dismemberment of the former Austro-Hungarian Monarchy or have received territories of the Monarchy.[1] Article 203 of the Treaty of St. Germain and Article 186 of the Treaty of Trianon laid down certain general principles upon which the distribution was to be based and entrusted the Reparation Commission with the execution of the task.

The task of distributing the debt of the old Empire, affecting, as it does, the rights of bondholders all over the world, and the interests of six different States, has necessarily been a slow and complicated process; but by a number of decisions, taken during the course of the past three years, the Reparation Commission has sought to give effect to the provisions of the Treaties, and although the task is not yet completed, the principal questions arising out of the distribution have been settled and justify a summary of the present position.

[1] The following are the Succession or Cessionary States of Austria: Austria, Italy, Poland, Roumania, the Serb-Croat-Slovene Kingdom, and Czecho-Slovakia.

The following are the Succession or Cessionary States of Hungary: Hungary, Austria, the State of Fiume, Poland, Roumania, the Serb-Croat-Slovene Kingdom, and Czecho-Slovakia.

DISTRIBUTION OF THE PRE-WAR AUSTRIAN AND HUNGARIAN DEBT

PART I

THE SYSTEM CREATED BY THE TREATIES

The Treaties lay down a system which is based on the division of the debt into two categories, *secured debt* and *unsecured debt*, each having its special regime.

Under the terms of these Treaties the *secured debt* must include not only the loans which have given the lenders a pledge or mortgage on a given property, but also payments not thus secured, in connection with the purchase of railways or similar property by the former Austrian or the former Hungarian Government.

The *unsecured debt* includes loans contracted for the general needs of the State without specification and not contracted in respect of any given property. Further, the Treaties prescribe that this debt shall be distributed only if evidenced by bonds of a public issue and therefore take no account of payments due from former Austria and former Hungary to various lenders, suppliers, entrepreneurs and contractors.

The debt being thus divided into secured and unsecured debt, a special treatment is to be adopted for each:—

Secured debt:— The Treaties stipulate that each loan shall follow the property on which it is secured, so that if, for example, a certain property so pledged remains within the boundaries of the present Republic of Austria, that country continues to be responsible for the loan, and if the property is transferred to a Cessionary State, that State assumes responsibility for the corresponding loan. When the property is situated in more than one State, as is the case for railways, the responsibility for the loan must be divided among these States by the Reparation Commission.

Proceeding on this basis, then, the Commission has to charge against each State various loans or parts of loans, the total amount of which constitutes what the Treaties call "the amount of the liability"[1] of each State. Since, on the other hand it is prescribed[2] that the Cessionary States shall be debited on reparation account with the value of the property acquired by them, it is provided that the value of these properties shall be deducted from the amount of the liability in respect of the debt, since otherwise Austria or Hungary would receive undue advantage from the operation.

The debt having been so distributed the Treaty lays down the following rules regarding the currencies in which the obligations thus arising shall be expressed by the respective States concerned.

A. If the original debt was expressed in terms of Austro-Hungarian paper currency, the debt for which the responsibility is transferred must be expressed in terms of the currency of the State assuming the responsibility. The Treaties prescribe that "for the purposes of this conversion the currency of the assuming State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged into the currency of the assuming State by that State when it first substituted its own currency for Austro-Hungarian kronen," and the currency conversions thus involved are as follows (subject to verification) —

[1] Treaty of St. Germain, Art. 203, paragraph 1, § 2, and Treaty of Trianon, Art. 186, paragraph 1, § 2.
[2] Treaty of St. Germain, Art. 208, paragraph 4, and Treaty of Trianon, Art. 191, paragraph 4.

for 100 Austro-Hungarian crowns	100	Austrian crowns
	100	Hungarian crowns
	100	Czecho-Slovak crowns
	70	Polish marks
	50	Roumanian lei
	25	Serbian dinars
	40	Italian lire

The same rate of exchange will be applied to loans expressed in the terms of Austrian florins; the florin being regarded as the equivalent of 2 Austro-Hungarian crowns.

B. If the original debt was expressed in terms of a foreign currency or in gold, the new debt must be expressed in the same terms.

The creditors of these secured loans will therefore receive in exchange for their existing bond, one or more new bonds issued by the State or States which have become the debtors. The personality of the debtor may be completely or partially changed.

Unsecured debt:— For this category the Annexes to Articles 203 of the Treaty of St. Germain and 186 of the Treaty of Trianon lay down another method, which is entirely different from that just described for the secured debt.

The governing principle is the subdivision of the creditors or bondholders into two groups: bondholders within and bondholders outside the boundaries of the Succession or Cessionary States of former Austria and former Hungary.

Group I— Austria and her Cessionary States (and Hungary and her Cessionary States, in respect of the Hungarian debt) take over the Austrian bonds held within their respective boundaries, by stamping and conversion into their own currencies. The holder of a bond within the boundaries of a Succession or Cessionary State is thus declared to be a creditor of that State, and of that State only. His credit is "nationalised" as from the date of the coming into force of the Treaty,[1] and henceforth he has one debtor only—the State in whose territory his bonds were held.

Group II— Bondholders outside the boundaries of Austria and her Cessionary States (and the bondholders outside the boundaries of Hungary and her Cessionary States, in respect of the Hungarian debt), are grouped together and receive identical treatment.

These bondholders will be declared creditors of those Succession or Cessionary States which after assuming responsibility for the bonds held in their own territory have not assumed responsibility for the full quota for which they are liable.

In order to make this question more clear, it is convenient to use the conventional expressions "favourable" and "unfavourable balance" ("actif" and "passif") with exclusive reference to the Succession or Cessionary States; a State is said to have a favourable balance when it has stamped in its territory a number of bonds of any issue the amount of which, in proportion to the total amount, is greater than the quota of that issue (the method by which this quota is determined will be explained later, Part III, Ch. V & VI) incumbent on this State; in the contrary case, it is said to have an unfavourable balance.

The claim of external holders is therefore against the States with an unfavourable balance, and to the extent that their balance is unfavourable. The Treaty provides that such holders shall receive from these States, through the Reparation Commission, new bonds in exchange for their existing bonds, which, in the aggregate, are equivalent to the bonds for which they are substituted.

The status of the holders of unsecured bonds being thus defined, it remains to consider the various positions in which each of the Succession or Cessionary States may find itself:

a) in case it has stamped each category of bonds to an amount equal to the quota incumbent upon it, this State will have no responsibility to holders outside its boun-

[1] The Treaty of St. Germain came into force on July 16, 1920, and the Treaty of Trianon on July 26, 1921.

daries. It will have merely to acknowledge its responsibility to the holders of the bonds which it has stamped;

b) if it has stamped a category of bonds to an amount equal to 15% of the whole, and is responsible for 35% it would be called upon to issue new bonds for the balance of 20%; it would have an unfavourable balance of 20%;

c) if it has stamped an amount equal to 48%, and is responsible for 35%, it would have a favourable balance of 13%, and would thus be entitled to 13% of the new bonds issued by the States with an unfavourable balance, as if it were a holder outside the boundaries of these States.

The new bonds to complete the quota must correspond with mathematical precision to the claims (based upon the possession of old bonds) of the external holders and to the rights of the States with a favourable balance, if any.

Such is the system which was laid down by the Treaties, and which has therefore governed all the measures adopted.

PART II

SECURED DEBT

CHAPTER I

AUSTRIA

The Austrian Secured Debts which were included in the distribution effected by the Reparation Commission, represent, calculated in pre-war crowns, a capital debt amounting to approximately 2 1/4 milliards. It is necessary to add a further group of secured debts consisting of annuities amounting to a total of approximately 36 million crowns per year. These debts are expressed in Austro-Hungarian crowns, but several are expressed in foreign currencies, particularly in francs and marks, and some are expressed in gold.

These debts are secured mainly on railway lines; in certain cases, however, they are secured on other categories of public property (including salt mines, warehouses at Trieste etc).

The list of Austrian secured loans having been drawn up and settled, the Reparation Commission had to choose a basis for the distribution of the liability among the several States. The Treaties leave the Commission to be guided by its own "opinion", and prescribe that it shall act "on such basis as it may consider equitable." It has divided the problem as follows:

a) In regard to loans secured on property other than railways, the task is simplified by the fact that such property is situated in one country only and not in several. It is therefore sufficient to adhere to the rule according to which the responsibility for the loan is incumbent on the State which receives the property, and to apply the rule to all debts secured on railway systems where the lines have been transferred in their entirety to one State.

b) In regard to loans secured on railway lines which are situated in the territory of several States, the Reparation Commission has adopted as a basis of distribution *the kilometric length of all the lines* (including sidings, double tracks, etc.) and it has employed this factor to determine first the extent of the railways which each State has taken over, then the liability incumbent upon it in consequence.

A complete list of the secured loans and a table showing their distribution will be found below in appendix B.[1]

[1] See page 33.

Administrative Debts. These "payments due" by former Austria are not included in the official Austrian statement of the Public Debt. They may be, and they have, in fact, been assimilated to the Public secured Debt and consequently apportioned like it, when they fulfil the conditions mentioned in paragraph 4 of Article 203 of the Treaty of St. Germain, *i. e.* when they had been contracted before July 28, 1914, in connection with the purchase of State property.

The Reparation Commission has taken account, for the purposes of distribution, of 123 of these loans of former Austria, which represent an amount of approximately 55 million crowns. This category contains debts of local importance which have been contracted with individuals by State authorities for the erection or acquisition of buildings necessary for public administration. The liability is to be taken over by the States now in possession of the property for which the debt was contracted.

Two reservations are admitted by the Commission's decision: the first reserves to the Cessionary States the right to take into account (in view of the deductions to be made) payments, if made, which are not included in the lists drawn up by the Reparation Commission; the second safeguards their right to advance against the creditors *de jure* and *de facto* claims for special treatment.

CHAPTER II
HUNGARY

The Hungarian secured debt (expressed in crowns, in gold, or in foreign currencies) calculated in pre-war crowns consists of capital debt, amounting to approximately 400,000,000 crowns, and annuities of approximately 2,600,000 crowns. The list of loans included in this debt was drawn up in accordance with the principles laid down in the Treaties (see Part I above), and the distribution among the several States was made on the same basis as that adopted for Austria (see preceding chapter), except in regard to the first two items of the list, for which the basis of distribution was the proportion of capital invested. The list and table of distribution will be found in Appendix C.[1]

Administrative debts. These "payments due" are classed with the Public debt under the same conditions as those explained above for Austria (see preceding chapter). They amount to approximately 125 million crowns.

CHAPTER III
AUSTRIA AND HUNGARY

In addition to the individual debts of former Austria and former Hungary, there are two categories of debts secured on two railway systems which extend into the territory of former Austria and former Hungary. They are: 1. the Hungarian-Galician system, and 2. the system of the Austro-Hungarian Chartered Company for State Railways (STEG). These debts were apportioned as follows:

1. Hungarian-Galician System. The debts secured on this railway system are:

a) Bonds 5 % florins 1870 or converted into 3.5 % amounting to 29,846,000 crowns;

b) Bonds 5 % florins 1878 or converted into 3.5 % amounting to 3,647,000 crowns;

c) Bonds 4 % florins 1887, amounting to 23,398,800 crowns;

d) Bonds 3.5 % crowns 1903, amounting to 7,235,400 crowns.

Before the war Austria alone was responsible for the bonds of this system, although they represented a debt contracted for the whole railway system and although only a fraction of the line was Austrian, the remainder being Hungarian. In compensation Hungary had to pay to Austria every year a certain sum.

The new situation created by the dismemberment of the former Austro-Hungarian Empire (the lines formerly Austrian are now Polish, the Hungarian system is now in great part in the possession of Czecho-Slovakia) caused the Reparation Commission to alter this unusual arrangement. The Reparation Commission has found it more rational

[1] See page 37.

to distribute the liability directly between the States in possession of the lines, and as it has been possible to establish the proportion of the capital invested in those parts of the system which are now in the territories of the various States, the distribution has been effected by the Reparation Commission on this basis. (See Appendix D[1] for the result of the distribution which has been established.) It is evident that once the liability has passed directly to all the States concerned, it was no longer necessary to maintain the annual compensation formerly paid by Hungary to Austria.

2. System of the Austro-Hungarian Chartered Company for State Railways (STEG).

The system belonged originally to the Austro-Hungarian Chartered Company for State Railways, and extended over both Austrian and Hungarian territory. Each of these States bought out the part situated within its own territory at different dates and by contracts framed on totally different lines. Thus the contract of purchase concluded between Hungary and the Company in 1891 provided that the Company should continue to be liable for all the bonds issued by it (of which there were seven categories) although it only retained the ownership of the Austrian system. Hungary undertook to pay to the Company, until the expiration of its original concession, an annuity representing:

a) the purchase price allocated to the shareholders for the Hungarian lines, and

b) the compensation due to them in respect of the continued service of the bonds in so far as such service was secured on the purchased lines.

On the other hand, the Austrian contract of purchase concluded in 1908 provided that the Austrian State should discharge the purchase price by assuming exclusive liability for the four chief categories of the company's bonds (3% old railway system, in francs, issues I—X amounting to 436,835,500 francs; 3% supplementary railway system, in francs, issues I—IV, amounting to 168,224,000 francs; 4% in marks, issue 1883, amounting to 79,190,000 marks; and 4% in francs and marks, issue 1900, amounting to 76,190,000 francs). The Company would retain liability for the three other categories of bonds (5% Brünn-Rossitz, 5% in florins, issues I and II of 1873 and 1874, and 3% bonds, issue 1893). As the Bonds taken over by the Austrian State constituted a debt not of the railway system alone, but also of the Hungarian railway system, Austria would have had to assume charges for which she was not properly liable. Consequently, the Company undertook to return to Austria in compensation a part of the annuity which it received from Hungary under the purchase contract of 1891.

Faced with so complicated a situation, the Reparation Commission was unable to apply the Treaty provisions and was obliged in the first instance to approach the interested partics with a view to inducing them to consent to a new arrangement. After prolonged negotiations under the auspices of the Reparation Commission, an agreement was concluded in Vienna on September 11, 1922[2] between the States concerned and the Company. By this agreement, the annuity due to the Company by Hungary was settled on an entirely new basis, being fixed at 5,500,000 French francs. Furthermore, it was agreed that the annuity should be borne not only by Hungary but be distributed among all the States to which any part of either the Hungarian or Austrian system had been transferred.

On the other hand, the principle was established that the service of the Company's bonds which had been taken over by Austria, in so far as these represented debts contracted for the benefit of the entire system, should also be distributed among all the States which had become owners of any part of the system. An exception was made only for the 4% 1883 bonds in marks, for the service of which it was agreed that Austria and Czecho-Slovakia should be responsible. These two States were also to be responsible for the 4% 1900 bonds in francs, which represented a debt contracted solely for the old Austrian system. The three categories of bonds which under the contract of 1908 still continued to be a debt of the Company, remained a charge upon the Company.

[1] See page 39.

[2] See page 45.

The agreement thus re-established the direct and immediate liability of each State to its creditors for that part of the system which had been transferred to it, and the old system of contribution by means of annuities in compensation and repayments was completely abolished.

The Reparation Commission ratified the agreement, and then carried out the distribution of the debts between the interested States, the result of which operation is contained in Appendix D.[1]

CHAPTER IV
DATE OF ASSUMPTION OF LIABILITY

The Reparation Commission was called upon to determine the date as from which liability for the secured debt should be assumed by the Cessionary States. After considering the various theories which were advanced on this question, the Commission, in execution of Article 203 of the Treaty of St. Germain and Article 186 of the Treaty of Trianon took the following decision:

"The States which are to assume a portion of the pre-war Austrian and Hungarian secured debts, in accordance with the repartition made by the Reparation Commission, shall assume the service of these debts *as from July 1, 1919,* that is, all payments due on or after that date for interest or capital shall be incumbent on the said States."

This Decision does not affect in any way the interpretation or execution of other Articles of the Treaties which fall outside the competence of the Reparation Commission.

PART III

UNSECURED DEBT

CHAPTER I
AUSTRIA

After considering the proposals of the Austrian Republic, the Reparation Commission drew up the following list of the pre-war unsecured debts of former Austria for apportionment:

		crowns
1. Balances of loans not submitted to the unification of 1868		4,718,165
2. Unified 4.2% annuity stock, February—August.....	886,205,700	
Unified 4.2% annuity stock, April—October	519,548,000	
Total..	1,405,753,700	
Less Hungarian share.....	402,775,755	
Balance..	1,002,977,945	1,002,977,945
3. Unified and converted 4% annuity stock 3,614,305,760		
Less Hungarian share.....1,035,568,945		
Balance..	2,578,736,815	2,578,736,815
4. 4% annuity stock, gold.....		1,168,690,952
5. 4% Austrian crown annuity stock, 1893.....		2,492,654,800
6. 3½% invested annuity stock, 1897		116,901,000
7. Insurance Company Loans, 1912		111,866,087
8. 4½% Treasury Certificates, 1914.....		[2] 290,840,000
Total..		7,767,385,764

[1] See page 39.

[2] This figure is taken from the statement of October 31, 1918. Since, however, it relates to a loan redeemable in 15 years, this debt as on July 16, 1920, stood at 237,960,000 crowns if account be taken of the date of July 16, 1920, the date on which the Treaty of St. Germain came into force and on which the Cessionary States assumed responsibility for the debt (see Chapter VIII below).

It will be noted that these debts are in paper crowns, except the 4% gold annuity stock (1,168,690,952.38) and the 1914 4½% Treasury Certificates expressed in crowns, marks, francs, Dutch florins or pounds sterling (290,840,000).

An examination of the above table raises the following questions:

1. The Treaties speak of the debt "as it stood on July 28, 1914": what interpretation has been given to this expression?

It was assumed that this date was chosen to mark the dividing line between the war debt and the pre-war debt, since the latter only was to be apportioned. The existence of a debt on July 28, 1914, was an essential, but not a sufficient condition to render it liable to distribution; in fact, debts existing at that date but amortised during the war, are not to be apportioned (for this reason the above table gives the situation as it stood on October 31, 1918), nor are those which fell due between July 28, 1914, and the date of the assumption of responsibility by the Cessionary States (the table includes, therefore, neither Treasury Bonds nor certain lottery bonds which had fallen due).

2. What method has been adopted for deducting from the gross amount of Austrian annuity stock the share incumbent on Hungary, as prescribed in the first paragraph of the Annex to Article 203 of the Treaty of St. Germain and in the 13th paragraph of the Annex to Article 186 of the Treaty of Trianon?

The Convention of 1907, mentioned by these articles, fixes the annual contribution of the countries of the Sacred Hungarian Crown to the charges of the general debt at 58,339,339.52 crowns. This then was the sum to be capitalised so that a capital sum could be included in the list of Hungarian unsecured debts to be apportioned. The general debt being constituted by two sorts of annuity stock (the 4% annuity stock to the capital amount of 3,614,305,760 crowns, and the 4.2% annuity stock to the capital amount of 1,405,753,700 crowns) it was decided that the Hungarian share should be taken proportionately from the capital of each of these two annuity stocks. The annuity of 58,339,339.52 crowns had therefore to be capitalised as follows:

41,422,757.81 crowns as a 4% annuity corresponding to a capital sum of 1,035,568,945 crowns to be deducted from the 4% annuity stock;

16,916,581.71 crowns as a 4.2% annuity, corresponding to a capital sum of 402,775,755 crowns to be deducted from the 4.2% annuity stock.

CHAPTER II

HUNGARY

The list of pre-war unsecured debts of former Hungary to be apportioned was drawn up as follows:

	crowns
1. Part of the Austrian general Debt	
a) 4.2% unified annuity stock, paper and silver	402,775,755
b) 4% unified and converted annuity stock	1,035,568,945
2. Hungarian 4% annuity stock, gold	1,509,459,524
3. 4% annuity stock in crowns	2,700,504,200
4. 4½% annuity stock in four currencies (crowns, marks, francs, sterlings) 1913	150,000,000
5. Redeemable 4½% annuity stock in four currencies (crowns, marks, francs, sterlings) 1914	500,000,000
6. 4% land redemption bonds, 1889 (Hungarian issue proper)	354,009,200
7. 4½% bonds (tax on beverages) 1902 (Hungarian issue proper)	89,005,050
Total	6,741,322,674

The explanations accompanying the Austrian list, given above, apply also to the Hungarian list, and should be referred to. It is further to be noted that:

1. the 4% land redemption bonds and the 4½% bonds in compensation for the abolition of the tax on beverages remain, notwithstanding the purposes for which they were issued, unsecured debts;

2. in this distribution of the unsecured debts of former Hungary, account has been taken of the special régime which applied to the participation of Croatia-Slavonia in this charge, which will be explained below (Chapter VI);

3. The above list includes neither the 1897 3½% annuity stock (60,000,000 crowns) nor the 1910 4% annuity stock in four currencies: crowns, francs, marks, sterling (250,000,000 crowns), although at the beginning they were included in the stamping with the other unsecured debts (see Chapter III below). It was found on further examination that these two loans should be included in the secured debt.

CHAPTER III
STAMPING

In accordance with sub-paragraph 2 of the Annex to Article 203 of the Treaty of St. Germain and of that to Article 186 of the Treaty of Trianon, the Succession or Cessionary States of Austria have stamped all the bonds of the Austrian unsecured debt, and the Succession or Cessionary States of Hungary have stamped all the bonds of the Hungarian unsecured debt. The essential effect of this operation was, from the day on which it was carried out, to "nationalise" the bond and to substitute for the original debtor a new debtor, that is, the State that did the stamping.

Each of these States has recorded the results in lists intended for the Reparation Commission. In order that the lists of these bonds thus drawn up might be declared accurate and authentic, the Reparation Commission on February 14, 1923, adopted a decision requesting the Succession or Cessionary States of Austria and Hungary to withdraw the bonds in question from circulation, if they had not already done so, to centralise them within three months and to hold them at the disposal of the Reparation Commission.

Sub-paragraph 9 of the same Annexes provides a different procedure for the bond of the Austrian and Hungarian unsecured debt held outside the territory of the Succession or Cessionary States of former Austria and former Hungary respectively. These bonds are to be collected by the different Governments and delivered to the Reparation Commission, and exchanged by it for new bonds issued in compensation (see Part I, above). Before carrying out these operations the Reparation Commission thought it desirable to make an inventory of these bonds, and to this effect, by a decision of August 23, 1921, requested the non-Succession or non-Cessionary States to stamp the bonds held by their nationals at the date of the coming into force of the Treaties of St. Germain and Trianon respectively. It was understood that this stamping would not and could not have the same meaning or the same effects as the stamping carried out by the Succession or Cessionary States in accordance with sub-paragraph 2 of the Annexes. It at least revealed the fact that outside the boundaries of former Austria-Hungary the loans were placed chiefly in the following countries: France, Germany, Belgium, Holland, Great Britain and Switzerland.

The Reparation Commission, on April 17, 1924, decided that the stamping operations on the territories of the Succession or Cessionary States of Austria and Hungary should be terminated on June 1, 1924, in regard to bonds privately held but allowing the faculty to add to their lists of stamping up to the date of verification by the Reparation Commission any bonds transferred as the result of agreements relating to distribution of public funds. Each State has been asked to supply a final table showing category by category the total nominal value of the bonds withdrawn and taken over by it. The Reparation Commission will then be in a position to fix the net liability of each State.

CHAPTER IV

PROCEDURE IN THE MATTER OF PROTESTS

The above-mentioned provisions of sub-paragraph 2 of the Annexes, the most important effect of which is to make Austrian all the bonds stamped in Austria, and Hungarian all those stamped in Hungary, might have been detrimental to the holders if no exception had been admitted. For this reason the decision of August 23, 1921, exempted from Austrian stamping securities which belonged to nationals of States other than the Republic of Austria, and which were in Austrian territory for reasons other than the wish of their owners, a measure which was extended to the case of Hungary on December 6, 1921.

In order to give full effect to the measure, a procedure for the registration of protests by the holders was established, under which anyone properly entitled could require Austria or Hungary to refrain from stamping the bond claimed by him and to confine itself to affixing a mark indicating that objection to stamping had been lodged.

At the same time the Commission expressed the hope that an agreement regulating the question of bonds in dispute might be arrived at between Austria, or Hungary, on the one hand, and the States concerned on the other hand.

A large number of protests having been lodged against the stamping of Austrian and Hungarian bonds and few amicable agreements having been concluded, the Reparation Commission was obliged to settle the conditions under which the principles laid down by it should be applied. By a decision of August 22, 1922, it laid down a ruling that the Austrian Government should transmit to the Government claiming them unstamped (or the stamp having been cancelled if stamping had taken place) the bonds against the stamping of which a protests had been made, either by the persons entitled or by the Governments concerned, provided that the protest was justified. Protests could be justified on two grounds:

1. if the securities had been compulsorily deposited within the territory of present Austria as the result of legislative or administrative measures or war measures;

2. if the securities belonged to a national of a State other than Austria, since July 16, 1920, provided that on that date or subsequently the holder did not habitually reside nor have his business office within Austrian territory.

In any case where the Austrian Government had rejected a protest and an appeal had been made against such a rejection, the Reparation Commission reserved the right to decide in the last resort whether the rejection was justified or not.

This ruling was extended to Hungary by a decision of October 27, 1922.

The time limit fixed for the presentation of protests having now expired this question may be considered closed.

CHAPTER V

DETERMINATION OF THE QUOTAS OF THE AUSTRIAN DEBT.

Paragraph 2 of Article 203 of the Treaty of St. Germain provides that the distribution shall be in accordance with "the ratio between the average for the three financial years, 1911, 1912, 1913, of such revenues of the distributed territory and the average for the same years of such revenues of the whole of the former Austrian territories as in the judgment of the Reparation Commission are best calculated to represent the financial capacity of the respective territories."

It was for the Reparation Commission to determine what revenues should be taken into consideration, or in other words, to determine the basis of distribution.

It decided that the quotas of the several States should be determined from the following revenues:

Direct taxes	Land tax Tax on rural houses Tax on rentals 5% tax on rentals General tax on professions Tax on travelling professions Special tax on professions Tax on unearned income Income Tax Tax on wages
Indirect taxes or taxes on consumption...	Spirits Beer Sugar Wine Meat Mineral oils

Stamp Duties
Registration Duties
Other miscellaneous duties.

On the basis of these data the Reparation Commission was led to apportion the liability for the Austrian debt as follows:

Austrian Republic	36.827%
Italy	4.087%
Poland	13.733%
Roumania	1.610%
S. C. S. Kingdom	2.043%
Czecho-Slovakia	41.700%

As stated above (see Part I), the assumption by each State of its particular share will comprise two steps: *first*, it will recognise itself to be the sole debtor to the holders of the bonds of each category that it has stamped; *second*, in so far as the bonds so stamped fall short of the amount of the percentage allocated to it in the above table of each category, it will make an issue, known as a "compensation" issue, of new bonds and will deliver them to the Reparation Commission, which is entrusted with the duty of delivering them to the proper persons.

CHAPTER VI

DETERMINATION OF THE QUOTAS OF THE HUNGARIAN DEBT.

In application of paragraph 2 of Article 186 of the Treaty of Trianon, the Reparation Commission decided that the respective quotas of the Hungarian debt should be determined according to the following revenues:

Direct taxes.	Land tax Tax on rural houses Tax on professional profits (Class III) Tax on undertakings open to public audit Tax on mines Tax on interest on capital Tax on interest on capital invested in financial establishments Tax on professional profits (Classes I, II and IV) Supplementary taxes on income, and other taxes.

Indirect taxes or taxes on consumption { Spirits, Sugar, Beer, Mineral oils, Meat, Wine }

Salt monopoly
Stamp duties
Registration duties
Other miscellaneous duties.

On this basis of distribution the following percentages were calculated for the apportionment of the liability to the several States:

Present Hungary	49.629 %
Roumania	23.659 %
S. C. S. Kingdom	6.800 %
Czecho-Slovakia	17.384 %
Austria	1.716 %
State of Fiume	0.812 %

SPECIAL STATUS OF CROATIA-SLAVONIA.

The Reparation Commission availed itself of the power conferred upon it by sub-paragraph 1, paragraph 2, Article 186 of the Treaty of Trianon: "When there existed before July 28, 1914, financial agreements relating to the unsecured bonded debt of the former Hungarian Government, the Reparation Commission may take such agreements into consideration when effecting the division of this debt between the States mentioned above."

As a matter of fact there had existed since 1868, between Hungary and Croatia-Slavonia, an agreement, renewable every ten years, whereby the percentage of this province's contribution was determined according to the ratio of the returns from the following revenues to the total:

Indirect taxes (except the tax on exemption from military service and the tax on transportation);

Stamp duties, registration duties, charges;

Receipts from the tobacco and salt monopolies.

The calculation, applied to the years 1911, 1912 and 1913, resulted in a percentage of 7.85 %. It was therefore decided that the quota of Croatia-Slavonia should be 7.85 % of the Hungarian unsecured debt, except for two of these debts (land redemption bonds and bonds in compensation of the abolition of the tax on beverages), of which Croatia-Slavonia would not be called upon to assume any part, since she had contracted two identical loans on her own account, for which she would remain exclusively responsible:

	crowns
4 % land redemption bonds Croatian-Slavonian issue (nominal value)	14,018,200
4 1/2 % bonds in compensation of the abolition of the tax on beverages, Croatian-Slavonian issue (nominal value)	30,528,000

The liability assigned to Croatia-Slavonia must be considered to be incumbent on the Serb-Croat-Slovene Kingdom, since Croatia-Slavonia has been incorporated in that State.

Taking this factor into account in the calculation, the total Hungarian debt was apportioned as follows:

Hungary	45.733 %
Roumania	21.802 %
S. C. S. Kingdom	14.116 %
Czecho-Slovakia	16.020 %
Austria	1.581 %
State of Fiume	0.748 %

PARTICIPATION OF POLAND.

The share of Czecho-Slovakia, as determined in the distribution exclusive of Croatia-Slavonia is, as has been seen, 17.384 %. It is, however, necessary to take account of the decision of the Conference of Ambassadors of July 28, 1920, accepted by the Governments concerned, which assigned to the Poland territories belonging to the comitats of Orava and Spiez. These territories were productive of fiscal revenues which involve the subdivision of the Czecho-Slovak share in the distribution, exclusive of Croatia-Slavonia, as follows:

Czecho-Slovakia	17.303 %
Poland	0.081 %

Consequently, the Czecho-Slovak share, which in the distribution inclusive of Croatia-Slavonia amounts to 16.020 %, must be subdivided as follows:

Czecho-Slovakia	15.945 %
Poland	0.075 %

POSITION OF FIUME.

In employing the basis of repartition outlined above, the Reparation Commission had to take account of the situation which then existed as regards Fiume by allocating to it a portion of the Hungarian Debt.

Since the incorporation of Fiume by Italy the portion of the debt allocated to the State of Fiume has been assumed by Italy.

CHAPTER VII

CURRENCY IN WHICH THE NEW BONDS WILL BE EXPRESSED

Sub-paragraph 4 of the Annexes to Articles 203 of the Treaty of St. Germain and 186 of the Treaty of Trianon prescribes that the States with an unfavourable balance[1] shall deliver to the Reparation Commission new bonds to be handed to holders of bonds in the non-Succession or non-Cessionary States.

The Reparation Commission is also to determine the denomination of these new bonds, the value of the coupons and all other conditions attaching to them. The Commission will carry out this mandate as soon as the obligation incumbent on each of the Succession or Cessionary States has been fully verified and finally determined by it. It is at that moment, too, that it will decide whether it should avail itself of its power under sub-paragraph II of the Annexes to arrange for the issue of consolidation loans.

Finally, the Annexes indicate the currency in which the new bonds are to be expressed. Those which are to replace the old loans issued in gold or in foreign currencies, will be expressed in the same currencies. The others will be expressed in terms of the currency of the State issuing them; for the purposes of the conversion the rate will be the rate adopted by that State when it first substituted its currency for

[1] See page 10.

Austro-Hungarian paper crowns. Consequently 100 Austro-Hungarian Crowns or 50 Austrian florins will be reckoned (subject to verification) to be equal to:

100 Austrian crowns
100 Hungarian crowns
100 Czecho-Slovak crowns
70 Polish marks
50 Roumanian lei
25 Serbian dinars
40 Italian lire

The Reparation Commission (Decision of December 8, 1922) decided not to avail itself of the right conferred upon it by the Treaty to require "if it thought fit" a modification in the conditions of conversion.

The foregoing remarks, which complete those given in Chapter V above, make it possible to determine the manner in which the new bonds are to be expressed and distributed. The following is an illustration.

Take, for the sake of example, the unsecured Austrian annuity known as the 3½% 1897 invested annuity in crowns. Let it be assumed that geographical distribution of the bonds was as follows:

Non-Succession or non-Cessionary States		9%
Succession or Cessionary States	Austrian Republic	37.827%
	Italy	3.997%
	Poland	5.733%
	Roumania	0.610%
	S. C. S. Kingdom	1.543%
	Czecho-Slovakia	41.300%
		100%

The result would be as follows:

Only one Succession State, viz: Austria, has a favourable balance having exceeded its share which amounts to 36.827%.[1]

The favourable balance being 37.827% — 36.827% = 1%.

On the other hand the other States have unfavourable balances as follows:

Italy	4.087 —	3.987 =	0.1%
Poland	13.733 —	5.733 =	8.0%
Roumania	1.610 —	0.610 =	1.0%
Serb-Croat-Slovene Kingdom	2.043 —	1.543 =	0.5%
Czecho-Slovakia	41.700 —	41.300 =	0.4%
		Total of the unfavourable balances	10.0%

The circulation of the bonds in the territories of the non-Succession States, *i. e.* 9%, increased by the portion of the Austrian favourable balance which has been calculated above, viz: 1%, makes, as will be seen, a total of 10%.

This 10% of which nine-tenths is constituted by bonds held outside the boundaries of the succession or Cessionary States, will therefore be paid by the 5 States having an unfavourable balance in proportion to their respective unfavourable balance.

On each bond belonging to this block the following percentage would be paid by:

Italy	1%
Poland	80%
Roumania	10%
Serb-Croat-Slovene Kingdom	5%
Czecho-Slovakia	4%

[1] See Chapter V page 18.

As the old bonds were denominated in paper crowns each of these States would pay in their national currencies at the rate of conversion mentioned in Part III, Chapter VII.

Each holder, ouside the Succession or non-Cessionary States, of bonds of this issue, would be entitled to a proportional share of each of the new issues to be made by the States having an unfavourable balance. As, however, the material and individual exchange of these bonds would give rise to difficulties owing to the depreciation of the various currencies and the fractional division of the bonds of the new issues, the question arises whether a new system of payment, drawn up in agreement with the interested parties, would not simplify this operation.

CHAPTER VIII

INNSBRUCK PROTOCOL—COMMON FUND

With a view to the permanent settlement of the questions arising from the service of certain Austrian and Hungarian debts, a Conference was held at Innsbruck (Austria) on June 25, 1923, under the auspices of the Reparation Commission, at which Delegates of the Succession and Cessionary States of the former Austro-Hungarian Monarchy, and representatives of holders of Austrian and Hungarian securities, were present.

As a result of this Conference, a protocol known as the Innsbruck Protocol was signed on June 29, by all the Succession and Cessionary States (subject to ratification) with the exception of Roumania, and by a number of bond-holders Associations.

Under the terms of this agreement, a *"Caisse Commune des Porteurs Etrangers des Dettes Publiques"* was to be created[1] and entrusted with the duty of collecting the payments required for the service of interest and amortisation. The debts at present under consideration are as follows:

a) 4 % Austrian Gold Annuity;

4 % Hungarian Gold Annuity;

4 1/2 % Austrian Treasury Certificates 1914 (expressed in crowns, marks, Dutch florins, francs, and pounds sterling);

4 1/2 % Hungarian Annuity 1913 (expressed in crowns, francs, marks and pounds sterling);

4 1/2 % Hungarian redeemable Annuity 1914 (expressed in crowns, francs, marks and pounds sterling).

b) The debentures originally issued by the Austro-Hungarian Chartered Company for State Railways (STEG) and forming part of one of the loans enumerated below regardless of the nationality of the holders concerned:

3 % loan (former system) expressed in francs;

3 % loan (supplementary system) expressed in francs;

4 % loan 1900 expressed in francs and marks.

Article 8 lays down that the securities now in circulation shall in general be maintained, so that the application of the provisions described in Chapter VII will be deferred so far as the debts listed above are concerned.

Article 9 makes the following reductions in favour of the debtor States:

1. for the Austrian and Hungarian 4 % gold annuity stock they shall pay 32 % of the amount of interest expressed in gold.

2. for the 1914 4 1/2 % Austrian Treasury certificates, for the 1913 4 1/2 % Hungarian annuity stock and for the 1914 4 1/2 % redeemable Hungarian annuity stock, which are loans expressed in foreign currencies, the States shall pay 27 % of the stipulated interest.

These percentages (32 % and 27 %) shall be subject to revision before January 1, 1931.

[1] The present address of this body is: 5 rue Gaillon, Paris, II e.

It is agreed that the payments required for the service of the coupons shall be made at the expiration of each quarter, the first payment being due on April 1, 1925. For coupons falling due before that date, a system of discharge has been adopted extending over twelve years, that is, from January 1, 1926, to October 1, 1937.

The "Caisse Commune" is instructed to proceed once a year to the necessary distribution among the holders of each category of securities.

Article 12 gives each State the right to redeem the amount of its annuity stock either in cash or in bonds of its own national annuity stock.

It will be seen from the foregoing that the Innsbruck Protocol is intended to provide a regular liaison between the holders of the loans in question and the debtor States. The procedure contemplated will enable the existing bonds of these loans to be kept in circulation until further notice, instead of being replaced by new scrip, the issue of which would be technically impossible owing to the fractional division which would be necessary.

Provision is made for the extension of this system to other loans if any particular case justifies such action.

Four States have so far ratified the Protocol: (Italy, Czecho-Slovakia, Austria, Hungary); the majority of States needed to bring it into force has thus been assured.

In view of this situation the Reparation Commission on November 18, 1924 took note of the Protocol and authorized the constitution of the "Caisse Commune" of the foreign Bondholders. The Reparation Commission at the same time laid down regulations governing the relations between the "Caisse Commune" and the Commission (see Appendix I). The "Caisse Commune" is therefore about to be constituted. (The Statutes are given in Appendix J).

CHAPTER IX

DATE OF ASSUMPTION OF LIABILITY

By a decision of October 12, 1921, the Reparation Commission fixed, as follows, the date as from which the Succession or Cessionary States of Austria were to assume their share:

"It was decided that the Reparation Commission should proceed on the basis of the principle that the responsibility of the Succession States for the service of the pre-war unsecured Austrian debt and for the establishment of the Sinking Fund of this debt at the time of the coming into force of the Treaty of St. Germain, that was to say July 16, 1920."

This provision was extended to apply to the Hungarian debt by a decision of February 28, 1923.[1]

The fundamental basis of these decisions is to be found in the last sub-paragraph of the Annex to Article 203 of the Treaty of Saint-Germain (the Annex to Article 186 of the Treaty of Trianon which concerns Hungary is drafted in the same terms):

"The State assuming liability for any bond of the former Austrian Government shall assume any liability attaching to the bond in respect of unpaid coupons or sinking fund instalments accrued since the date of the coming into force of the present Treaty."

Faced with the question "Who was to be held responsible for the service of coupons and amortisation for the period prior to these dates of the coming into force of the Treaties," the Reparation Commission replied, by a decision of October 28, 1921, to the effect that it "considered that the question of the responsibility for the debt before division was not within its competence." This decision was confirmed by a decision of June 20, 1922, in the following terms:

[1] The Treaty of Trianon came into force on July 26, 1921.

"The Reparation Commission decided that it was incompetent to decide on whom devolved the responsibility for the payment of interest and arrears for the period between November 3 and 13, 1918, and the coming into force of the Treaty of St. Germain (July 16, 1920)."

On February 28, 1923, the Commission came to a similar decision in the case of Hungary, as regards the period preceding the coming into force of the Treaty of Trianon (July 26, 1921).

PART IV

DEBTS OF THE DIVIDED LOCAL AREAS

In execution of Article 204 of the Treaty of St. Germain, the Reparation Commission, at its meeting of September 21, 1923, proceeded to the distribution of the public debts incumbent on the former Austrian local areas divided by the new boundaries as laid down by that Treaty.

This distribution was made to include all debts which had been regularly constituted and which existed on October 31, 1918, whether bonded or otherwise, and whether they had been contracted with private individuals or with the Austrian State. It was decided that in the latter case the State on whose territory the part of the divided local area was situated and to which a corresponding portion of the original public debt was assigned, must be regarded as being the creditor.

The divided local areas considered consist of the following Länder: the Archduchy of Lower Austria, the Duchies of Styria and Carinthia, and the Principality of Tyrol.

The basis of distribution adopted was as follows:

In regard to *secured debts,* the debt follows the fate of the property on which it is secured, and, if the property is situated on the territory of several States, the portion assumed by each is proportional to the capital invested in the part of the property which it has acquired.

In regard to *unsecured debts,* four taxes (land tax, tax on rural building property, general tax on professions, and the special tax on industry) were selected as a just criterion of the capacity of the respective territories to make payment.

It was decided that both categories of these debts would be assumed as from November 1, 1918.

The distribution of the Hungarian debts of the divided local areas (comitats) provided for in Article 187 of the Treaty of Trianon has not yet been effected.

PART V

ACTION STILL TO BE TAKEN BY THE REPARATION COMMISSION

The Treaties of St. Germain and Trianon confer on the Reparation Commission a mandate to determine the portion of the pre-war Public Debt for which each Succession and Cessionary State of Austria and Hungary must assume responsibility, and to settle all questions relating to the assumption of this liability. It is for the Commission to establish the procedure by which the creditors may receive an acknowledgment of their claims, but the Commission is not charged with the duty of securing the execution of the actual payments.

The questions which will require solution may include the following:

I. Secured Debt.

a) The examination of the conditions of issue and the determination of the method of taking over by the debtor States of the charges which they have to assume, the treatment of drawings and arrears of interest, and cases where the debtor State issues new scrip to replace old bonds.

b) The approval of the rate of exchange to be applied to payments due by the debtor States and of any other measures which these States propose in connection with the taking over by them of the charge which they have to assume.

c) Any measures which may be necessary to facilitate the conclusion of special agreements to deal with the payment of debts, the responsibility for which has to be assumed by more than one State, either by the designation of an organisation (which could be the "Caisse Commune") to deal with the administration and service of these debts, or by other measures.

II. Unsecured Debt.

a) The verification of the bonds stamped by each Succession and Cessionary State, the entire responsibility for which must be assumed by that State in accordance with the terms of paragraph 3 of the Annex to Article 203 of the Treaty of St. Germain (Article 186 of the Treaty of Trianon).

This verification would allow of the calculation in the case of each State of the difference between the amount of the charge already taken over by that State and the amount if any for which it must assume responsibility, and thus the extent to which it is responsible to holders of bonds outside the boundaries of the Succession and Cessionary States.

b) The arrangements for the handing over by the debtor States of new bonds, the determination of the denomination of those bonds, the currency in which they are to be expressed, and the amount of the fractional bonds, and any arrangements for the drawings.

c) The collection from the holders of all the bonds held outside the boundaries of the Succession and Cessionary States, and the determination of the method to be followed for the delivery to these holders of the new bonds to be issued by the debtor States.

d) Any special arrangements which might be concluded either with the help of the "Caisse Commune" or otherwise with a view to the simplification of operations in connection with the exchange and conversion of bonds.

III. Debts of Austrian and Hungarian autonomous local areas.

Executive measures similar to those outlined obove with regard to State debts, but with such alterations as may prove necessary, will have to be taken to carry out the distribution of the debts of autonomous local areas.

APPENDIX A

ARTICLE 203 AND ANNEX (TREATY OF ST. GERMAIN) AND ARTICLE 186 AND ANNEX (TREATY OF TRIANON)[1]

1. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including Austria / Hungary, shall ..... / in so far as territory is assigned to it in accordance with the ..... / present Treaty, assume responsibility for a portion of the debt of the former Austrian / Hungarian Governement which is specifically secured on railways, salt mines / ..... or other property, and which was in existence on July 28, 1914. The portion to be so assumed by each State shall be such portion as in the opinion of the Reparation Commission represents the secured debt in respect of the railways, salt mines / ..... and other properties transferred to that State under the terms of the present Treaty or any treaties or agreements supplementary thereto.

The amount of the liability in respect of secured debt so assumed by each State, other than Austria / Hungary, shall be valued by the Reparation Commission, on such basis as the Commission may consider equitable, and the value so ascertained shall be deducted from the amount payable by the State in question to Austria / Hungary in respect of property of the former or existing Austrian / Hungarian Government which the State acquires with the territory. Each State shall be solely responsible in respect of that portion of the secured debt for which it assumes responsibility under the terms of this Article, and holders of the debt for which responsibility is assumed by States other than Austria / Hungary shall have no recourse against the Government of any other State.

Any property which was specifically pledged to secure any debt referred to in this Article shall remain specifically pledged to secure the new debt. But in case the property so pledged is situated as the result of the present Treaty in more than one State, that portion of the property which is situated in a particular State shall constitute the security only for that part of the debt which is apportioned to that State, and not for any other part of the debt.

For the purposes of the present Article there shall be regarded as secured debt payments due by the former Austrian / Hungarian Government in connection with the purchase of railways or similar property; the distribution of the liability for such payments will be determined by the Reparation Commission in the same manner as in the case of secured debt.

[1] *Over* the line *Treaty of St. Germain, under* the line Treaty of Trianon.

Debts for which the responsibility is transferred under the terms of this Article shall be expressed in terms of the currency of the State assuming the responsibility, if the original debt was expressed in terms of Austro-Hungarian paper currency. For the purposes of this conversion the currency of the assuming State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged into the currency of the assuming State by that State when it first substituted its own currency for Austro-Hungarian kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the forreign exchange value of the original currency unit.

If the original $\frac{\text{Austrian}}{\text{Hungarian}}$ debt was expressed in terms of a foreign currency or foreign currencies, the new debt shall be expressed in terms of the same currency or currencies.

If the original $\frac{\text{Austrian}}{\text{Hungarian}}$ debt was expressed in terms of Austro-Hungarian gold coin, the new debt shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and the fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

2. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including $\frac{\text{Austria}}{\text{Hungary}}$ shall assume responsibility for a portion of the unsecured bonded debt of the former $\frac{\text{Austrian}}{\text{Hungarian}}$ Government $\frac{\text{which was in existence}}{\text{as it stood}}$ on July 28, 1914, calculated on the basis of the ratio between the average for the three financial years 1911, 1912, 1913, of such revenues of the $\frac{\text{distributed territory}}{\text{territory distributed in accordance with the present Treaty}}$ and the average for the same years of such revenues of the whole of the former $\frac{\text{Austrian}}{\text{Hungarian}}$ territories as in the judgment of the Reparation Commission are best calculated to represent the financial capacity of the respective territories. In making the above calculation, the revenues of Bosnia and Herzegovina shall not be included. Nevertheless, when there existed before July 28, 1914, financial agreements relating to the unsecured bonded debt of the former Hungarian Government, the Reparation Commission may take such agreements into consideration when effecting the division of this debt between the States mentioned above.

The responsibilities in respect of bonded debt to be assumed under the terms of this Article shall be discharged in the manner laid down in the Annex hereto.

The Austrian / Hungarian Government shall be solely responsible for all the liabilities of the former Austrian / Hungarian Government incurred prior to July 28, 1914, other than those evidenced by the bonds, bills, securities and currency notes which are specifically provided for under the terms of the present Treaty.

Neither the provisions of this Article nor the provisions of the Annex hereto shall apply to securities of the former Austrian / Hungarian Government deposited with the Austro-Hungarian Bank as security for the currency notes issued by that Bank.

ANNEX

The amount of the former unsecured Austrian / Hungarian Government bonded debt, the responsibility for which is to be distributed under the provisions of Article 203 / 186, shall be the amount of that debt as it stood on July 28, 1914, after deducting that portion ..... which represents the liability of the former Hungarian Government for that debt as ..... provided by the additional Convention relating to the contribution of the countries of ..... the Sacred Hungarian Crown to the charges of the general debt of Austria-Hungary ..... approved by the Austro-Hungarian Law of December 30, 1907, B. L. I. No. 278. .....

Each State assuming responsibility for the old / former unsecured Austrian / Hungarian Government ..... / bonded debt shall, within three months of the coming into force of the present Treaty, if it has not already done so, stamp with the stamp of its own Government all the bonds of that debt existing in its own territory. The distinguishing numbers of the bonds so stamped shall be recorded and shall be furnished, together with the other records of the stamping, to the Reparation Commission.

Holders of bonds within the territory of a State which is required to stamp old Austrian / Hungarian bonds under the terms of this Annex shall, from the date of the coming into force of the present Treaty, be creditors in respect of these bonds of that State only, and they shall have no recourse against the Government of any other State.

Each State which, under the terms of Article 203 / 186, is required to assume responsibility for a portion of the old unsecured Austrian / Hungarian Government debt, and which has ascertained by means of stamping the old Austrian bonds that the bonds of any particular issue of such old Austrian / Hungarian Bonds held within its territory were smaller in amount than the amount of that issue for which, in accordance with the assessment of the Reparation Commission, it is held responsible, shall deliver to the Reparation Commission new bonds equal in amount to the difference between the amount of the issue for which it is responsible and the amount of the same issue recorded as held within its own territory. Such new bonds shall be of such denominations as the Reparation Commission may

require. They shall carry the same rights as regards interest and amortisation as the old bonds for which they are substituted, and in all other respects the conditions of the new bonds shall be fixed subject to the approval of the Reparation Commission.

If the original bond was expressed in terms of Austro-Hungarian paper currency, the new bond by which it is replaced shall be expressed in terms of the currency of the State issuing the new bond, and for the purpose of this currency conversion, the currency of the new State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged for the currency of the new State by that State when it first substituted its own currency for Austro-Hungarian paper kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the foreign exchange value of the original currency unit.

If the original bond was expressed in terms of a foreign currency or foreign currencies, the new bond shall be expressed in terms of the same currency or currencies. If the original bond was expressed in terms of Austro-Hungarian gold coin, the new bond shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

Each State which under the terms of Article $\frac{203}{186}$ is required to assume responsibility for a portion of the old unsecured $\frac{\text{Austrian}}{\text{Hungarian}}$ Government debt, which has ascertained by means of stamping the old $\frac{\text{Austrian}}{\text{Hungarian}}$ bonds that the bonds of any particular issue of such old $\frac{\text{Austrian}}{\text{Hungarian}}$ bonds held within its territory were larger in amount than the amount of that issue for which it is held responsible in accordance with the assessment of the Reparation Commission, shall receive from the Reparation Commission its due proportionate share of each of the new issues of bonds issued in accordance with the provisions of this Annex.

Holders of unsecured bonds of the old $\frac{\text{Austrian}}{\text{Hungarian}}$ Government debt held outside the boundaries of the States to which territory of the former Austro-Hungarian Monarchy is transferred, or of States arising from the dismemberment of that Monarchy, including $\frac{\text{Austria}}{\text{Hungary}}$, shall deliver through the agency of their respective Governments to the Reparation Commission the bonds which they hold, and in exchange therefor the Reparation Commission shall deliver to them certificates entitling them to their due proportionate share of each of the new issues of bonds corresponding to and issued in exchange for their surrendered bonds under the provisions of this Annex.

The share of each State or private holder entitled to a share in any new issue of bonds issued in accordance with the provisions of this Annex shall bear such proportion to the total amount of bonds of that new issue as the holding of the State or private owner in question of the old issue of bonds bears to the total amount of

the old issue presented to the Reparation Commission for exchange into new bonds in accordance with the provisions of this Annex. Each such participating State or private holder will also be entitled to its or his due proportionate share of the new bonds issued under the terms of the Treaty with Hungary in exchange for that portion of the former Austrian Government debt for which Hungary accepted liability under the additional Convention of 1907.

The Reparation Commission shall, if it thinks fit, arrange with the holders of the new bonds provided for by this Annex a consolidation loan of each debtor State, the bonds of which loan shall be substituted for the various different issues of new bonds on such terms as may be agreed upon by the Commission and the bondholders.

The State assuming liability for any bond of the former $\frac{\text{Austrian}}{\text{Hungarian}}$ Government shall assume any liability attaching to the bond in respect of unpaid coupons or sinking fund instalments accrued since the date of the coming into force of the present Treaty.

(The Annex to Article 186 of the Treaty of Trianon contains, in conclusion, the three following paragraphs.)

In addition to the former unsecured Hungarian Government bonded debt to be divided as above, there shall also be divided among the several States, in the same proportion, the amount of the former unsecured Austrian Government bonded debt which represents the liability of the former Hungarian Government for that debt, as provided by the additional Convention relating to the contribution of the countries of the Sacred Hungarian Crown to the charges of the general debt of the Austro-Hungarian State approved by the Austro-Hungarian Law of December 30, 1907, B. L. I., No. 278.

Each State which, in virtue of the present Treaty, assumes responsibility for a part of this Austrian debt shall deliver to the Reparation Commission new securities for an amount equal to the part of the above-mentioned Austrian debt which is attributed to it.

The terms of these securities shall be fixed by the Reparation Commission. They shall be such as to represent as exactly as possible the terms of the former Austrian securities for which these securities are to be substituted. The new securities will be delivered to the States or holders of Austrian securities, who will have the right to a portion of each of the new issues made in accordance with the provisions of the Annex to Article 203 of the Treaty with Austria.

APPENDIX B

LIST OF AUSTRIAN SECURED DEBTS, AND THEIR DISTRIBUTION

I. DEBTS EVIDENCED BY BONDS

	Description of the Debt	Amount of the Debt	To be taken over by	Percentage
Asch-Roßbach	Bonds 4% crowns 1903	2,082,000 crowns	Czecho-Slovakia	100
Böhmische Nordbahn ..	Bonds 4% marks 1882	31,954,200 marks	„	100
	Bonds 3.5% marks 1903	5,480,200 marks	„	100
	Bonds 4% crowns 1909	45,780,000 crowns	„	100
Böhmische Westbahn ..	Bonds 4% florins 1885	21,740,000 crowns	„	100
	Bonds 4% marks 1885	1,084,800 marks	„	100
	Bonds 4% crowns 1895	51,020,000 crowns	„	100
Mährische Grenzbahn ..	Bonds 4% crowns 1895	21,320,000 crowns	„	100
Mährisch-Schlesische Zentralbahn	Bonds 4% crowns 1895	30,150,000 crowns	„	100
Pilsen-Priesen	Bonds 4% florins 1884 Oct.	20,727,000 crowns	„	100
	Bonds 4% florins 1884 July	12,429,200 crowns	„	100
Süd-Norddeutsche Verbindungsbahn.....	Bonds 4% florins 1892	36,189,200 crowns	„	100
Czernowitz-Nowosielitza	Bonds 4% crowns 1894	4,613,600 crowns	Roumania	100
Erzherzog-Albrecht-Bahn	Bonds 5% florins 1872 (first issue)	1,795,200 crowns	Poland	100
	Bonds 5% marks 1877 (second issue)	235,200 marks	„	100
	Bonds 4% florins 1890	32,404,000 crowns	„	100
	Bonds 4% florins 1893	6,300,000 crowns	„	100
Karl-Ludwig-Bahn.....	Bonds 4% florins 1890	123,840,000 crowns	„	100
	Bonds 4% crowns 1902	91,520,000 crowns	„	100
Laibach-Stein	Bonds 4% florins 1893	1,472,000 crowns	S. C. S. Kingdom	100
General Stores of Trieste	Bonds 4% florins 1889	17,099,000 crowns	Italy	100
Eisenerz-Vordernberg...	Bonds 4% florins 1890	5,250,000 crowns	Austria	100
	Bonds 4% florins 1892	5,274,000 crowns	„	100
Kremstalbahn.....	Bonds 4% crowns 1905	4,802,000 crowns	„	100
	Stamped shares	3,600,000 crowns	„	100
Pinzgauer Lokalbahn ...	Bonds 4% florins 1898	2,492,000 crowns	„	100
Vorarlberger Eisenbahn.	Bonds 4% florins 1884	15,378,000 crowns	„	100
	Bonds 4% crowns 1893	10,980,000 crowns	„	100
Bonds secured on Salt Mines	Secured Bonds	87,325,000 crowns	„	100
Franz-Josef-Eisenbahn ..	Bonds 4% florins 1884	107,700,000 crowns	Austria	31.046
	Bonds 5.25% florins 1886	84,833,200 crowns	Czecho-Slov.	68.954

	Description of the Debt	Amount of the Debt	To be taken over by	Per-centage
Kaiserin-Elisabeth-Bahn.	Stamped shares (1st issue)	18,013,800 crowns	Austria	100
	Stamped shares (2nd issue)	6,694,400 crowns	Austria Czecho-Slovakia	59.839 40.161
	Stamped shares (3rd issue)	12,380,000 crowns	Austria	100
	Bonds 4% marks 1883	87,960,000 marks	Austria	96.306
	Bonds 4% gold florins 1890	40,440,000 gold Fls.	Czecho-Slov.	3.694
Kronprinz-Rudolf-Bahn..	Bonds 4% florins 1884	114,300,000 crowns	Austria S. H. S. Italy	86.670 11.444 1.886
	Bonds 4% marks 1884	51,440,000 marks	Austria	88.942
	Bonds 4% crowns 1893	101,370,000 crowns	S. H. S. Italy	9.494 1.564
Österr. Lokaleisenbahn-gesellschaft.....	Bonds 4% marks 1887	10,073,200 marks	Austria	100
	Bonds 3% crowns 1894	62,060,000 crowns	Austria Czecho-Slov.	38.083 61.917
Österr. Nordwestbahn ..	Bonds 5% marks 1874	2,966,400 marks		
	Bonds 1874 in marks stamped and converted at 3,5%	19,865,400 marks	Austria Czecho-Slov.	15.092 84.908
	Bonds 3.5% marks 1903 (series C)	6,014,200 marks		
	Bonds 5% florins 1871	7,104,000 crowns		
	Bonds 5% 1871 stamped and converted at 3,5%	58,988,000 crowns		
	Bonds 4% florins 1885	17,470,000 crowns	Austria Czecho-Slov.	23.441 76.559
	Bonds 3.5% crowns 1903 (series A)	16,301,200 crowns		
	Bonds 5% florins 1871 (series B)	2,180,000 crowns	Czecho-Slovakia	100
	Bonds 5% 1871 (series B) stamped and converted at 3,5%	39,916,000 crowns	„	100
	Bonds 3.5% crowns 1903 (series B)	10,973,000 crowns	„	100
Österr. Nordwestbahn and Südnorddeutsche Verbindungsbahn.....	Bonds 4% crowns 1909	230,238,000 crowns	Czecho-Slov. Austria	87.278 12.722
State Loans for Railways	Bonds 4.5% marks 1913	122,380,000 marks	Czecho-Slovakia Austria Poland Italy S. H. S. Roumania	45.338 27.322 22.909 2.171 1.952 0.248
Kaiser-Ferdinand-Nord-bahn	Bonds 5% florins 1871	303,800 crowns	Austria	18.199
	Bonds 5% florins 1872	118,800 crowns	Czecho-Slov. Poland	58.641 23.160
	Bonds 4% florins 1886	56,220,000 crowns		
	Bonds 4% florins 1887 (1st group)	14,719,200 crowns		
	Bonds 4% florins 1887 (2nd group)	19,509,800 crowns	Austria Czecho-Slov. Poland	17.997 59.149 22.854
	Bonds 4% florins 1891	20,080,000 crowns		
	Bonds 4% florins 1898	28,400,000 crowns		
	Bonds 4% crowns 1904	45,300,000 crowns		
	Bonds 4% florins 1888	26,920,000 crowns	Austria Czecho-Slovakia Poland	3.726 72.841 23.433

II. ANNUITIES AND OTHER LIABILITIES

	Amount of the Debt	To be taken over by	Percentage
Liabilities due to the railway company *Postelberg—Laun* for the purchase of the lines by the State..	Liability resulting from the taking over of two special debts plus an annual contribution to the shareholders	Czecho-Slovakia	100
Annuity due to the Company *Dux—Bodenbach* for the purchase of the lines by the State.....	Annuity 3,420,000 crowns	„	100
Annuity due to the Company *Prague—Dux*	Annuity 2,939,000 crowns	„	100
Debt contracted with the *Bodenkreditanstalt* (Vienna) for the Lemberg University	Debt in capital 260,000 crowns	Poland	100
Debt contracted with the Bavarian State railway for a fraction of the *Elisabeth-Westbahn*	Debt in capital 800,000 goldmarks	Austria	100
Debt contracted with the province of Styria for the Graz University.....	Debt in capital 1,000,000 crowns	„	100
Debt contracted with the Savings Bank of Graz for the public schools of Graz.....	Debt in capital 400,000 crowns	„	100
Annuity due to the Austrian and Hungarian Privileged State Railway Company for a 6th part of the Verbindungsbahn of Vienna	Annuity 56,000 crowns	„	100
Annuity due to the Sudbahn Company for the same object	Annuity 66,000 crowns	„	100
Contribution of the State to the Commission for the regularisation of the Danube for the service of its bonds issues 1870, 1875, 1899	Annual contribution of 1/3 of the service of the two first issues and 2/3 of the third	„	100
Contribution of the State to the Commission of Public Works of Vienna for the service of bonds issue 1894, 1897, 1900.....	Annual contribution 64 % for the service	„	100
Annuity due to the *Ferdinand-Nordbahn* for the purchase of main railway system.....	Annuity 30,537,000 crowns	Austria Czecho-Slov. Poland	17.997 59.149 22.854
Annuities due to the *Ferdinand-Nordbahn* for the purchase of local lines now Czecho-Slovakian	12 annuities amounting to 1,056,652 crowns	Czecho-Slovakia	100
Annuities due to the *Ferdinand-Nordbahn* for the purchase of Bielitz—Kalwaria and Golleschau—Ustron lines.....	2 annuities amounting to 522,787 crowns	Poland	100
Annuity due to the *Ferdinand-Nordbahn* for the Drösing—Zistersdorf line	Annuity 36,727 crowns	Austria	100
Debt contracted with the Kreditanstalt Vienna for the *Elisabeth-Bahn*	Debt in capital 8,000,000 crowns	Austria Czecho-Slov.	96.306 3.694
Debt contracted with the Kreditanstalt for the Süd-Norddeutsche Verbindungsbahn.....	Debt in capital 1,500,000 crowns	Czecho-Slovakia	100

APPENDIX C

HUNGARIAN SECURED DEBTS AND THEIR DISTRIBUTION

I. DEBTS EVIDENCED BY BONDS

	Description of the Debt	Amount of the Debt	To be taken over by	Percentage
Hungarian Annuity Stock 3.5%.....	Bonds 3.5% crowns 1897	60,000,000 crowns	Roumania Hungary	64.29167 35.70833
Hungarian Annuity Stock 1910.....	Bonds 4% in 4 currencies 1910	250,000,000 crowns	Czecho-Slovakia Roumania S. H. S. Kingdom Fiume Austria Hungary	19.837 26.931 15.711 1.582 0.447 35.492
"Iron Gates" Loan.....	Bonds 3% gold 1895	41,712,000 gold cr.	Roumania	100
Loan "Tisza-Szeged" ...	Bonds 4% florins 1880	35,460,000 crowns	Hungary	100
Railway Budapest--Pecs	Bonds 4% florins 1889	15,788,000 crowns	Hungary	100
Lottery Loan	Lottery Bonds (florins 1870)	all bonds drawn June 1920	Hungary	100

II. ANNUITIES AND OTHER LIABILITIES

	Amount of the Debt	To be taken over by	Percentage
Annuity due to the Austrian and Hungarian Privileged State Railway Company for the line Arad—Temesvar...	577,490 crowns	Roumania	100
Debt contracted with the Kreditanstalt (Vienna) for the railway of Theiss (annuity)	1,638,000 crowns	Hungary Roumania Czecho-Slovakia	83.038 12.366 4.596
Annuity due to the Südbahn Company for the line Zagreb—Karlovac	240,000 florins gold	S. H. S.	100

APPENDIX D

DEBTS SECURED ON THE AUSTRO-HUNGARIAN RAILWAY SYSTEMS AND THEIR DISTRIBUTION

I. DEBTS EVIDENCED BY BONDS

	Description of the Debt	Amount of the Debt	To be taken over by	Percentage
Austro-Hungarian Privileged Company for State Railways (STEG)	Bonds 3% in francs, old railway system	436,835,500 francs	Austria	10.539
			Czecho-Slov.	62.808
			Hungary	11.602
	Bonds 3% in francs, complementary railway system	168,224,000 francs	Roumania	11.890
			S. H. S.	3.161
	Bonds 4% in marks 1883	79,190,000 marks	Austria	20.023
			Czecho-Slovakia	79.977
	Bonds 4% in francs and marks 1900	76,697,000 francs	Austria	19.563
			Czecho-Slovakia	80.437
Hungarian-Galician railways.	Bonds 5% florins 1870 or stamped at 3.5%	29,846,000 crowns		
	Bonds 5% florins 1878 or stamped at 3.5%	3,647,600 crowns	Poland	65.1105
			Czecho-Slov.	34.8456
	Bonds 4% florins 1887	23,398,800 crowns	Hungary	0.0439
	Bonds 3.5% crowns 1903	7,235,400 crowns		

II. ANNUITIES

	To be taken over by	*French francs*
Annuity due to the Austrian and Hungarian Privileged State Railway Company, amounting to 5,500,000 French francs	Austria	579,602,—
	Czecho-Slovakia	3,492,710,—
	Hungary	621,500,—
	Roumania	636,877,—
	S. H. S.	169,311,—

APPENDIX E

AUSTRIAN UNSECURED DEBTS AND THEIR DISTRIBUTION

Description of the Debt	Amount of the Debt	To be taken over by	Percentage
Consolidated Annuity Stock 4.2% Feb.—Aug.*	1,002,978,000 crowns		
„ „ „ 4.2% April—Oct.*			
Converted 4%*	2,578,737,000 crowns		
Balance of former loans not included in the consolidation of 1868	4,718,000 crowns	Austria	36.827
		Italy	4.087
		Poland	13.733
4% Gold	1,168,691,000 cr. *gold*	Roumania	1.610
		S. H. S. Kingdom	2.043
Austrian 4% paper	2,492,655,000 crowns	Czecho-Slovakia	41.700
Invested Annuity Stock 3½% 1897	116,901,000 crowns		
Loan contracted with Insurance companies.	111,866,000 crowns		
Treasury certificates 1914, 4½% in crowns, francs, marks, Dutch florins and sterling	237,960,000 crowns		

* After deduction of the share which shall be taken in charge by Hungary and the Cessionary States of Hungary.

APPENDIX F

HUNGARIAN UNSECURED DEBTS AND THEIR DISTRIBUTION

Description of the Debt	Amount of the Debt	To be taken over by	Percentage
Portion of the 4.2% Austrian Annuity Stock paper and silver and 4% Austrian converted annuity-stock	402,776,000 crowns 1,035,569,000 crowns	Hungary	45.733
		Roumania	21.802
4% Hungarian Annuity gold	1,509,460,000 *gold*-cr.	S. H. S. Kingdom	14.116
4% Annuity in crowns	2,700,504,000 crowns	Czecho-Slovakia	15.945
		Austria	1.581
4½% Annuity in crowns, marks, francs, sterlings, issued in 1913	150,000,000 crowns	State of Fiume	0.748
		Poland	0.075
4½% redeemable annuity in crowns, marks, francs, sterling, issued in 1914	500,000,000 crowns		
		Hungary	49.629
		Roumania	23.659
3% Bonds for the redemption of land (Hungarian issue proper)	354,010,000 crowns	S. H. S. Kingdom	6.800
		Czecho-Slovakia	17.303
		Austria	1.716
4½% Bonds tax on beverages (Hungarian issue proper) 1889	87,005,000 crowns	State of Fiume	0.812
		Poland	0.081
4% Bonds for the redemption of land (Croat-Slavonian issue)	14,018,200 crowns	S.H.S. Kingdom	100
4½% Bonds tax on beverages (Croat-Slavonian issue)	30,528,000 crowns	S.H.S. Kingdom	100

APPENDIX G

VIENNA AGREEMENT

(September 11, 1922)

Concerning the debts secured on the

AUSTRO-HUNGARIAN CHARTERED COMPANY FOR STATE RAILWAYS (STEG)

A. — Report of September 11, 1922
Appendix to this report

B. — Protocol relating to the Annuity
Supplementary Protocol

NOTE — The English texts of the documents composing the Vienna Agreement are translations of the originals which are in French.

A

RESOLUTIONS ADOPTED IN REGARD TO THE DEBTS OF THE STATE TO HOLDERS OF BONDS OF THE AUSTRO-HUNGARIAN CHARTERED COMPANY FOR STATE RAILWAYS (STEG)

After drawing up a scheme for the distribution of the debts of the State to holders of bonds of the Austro-Hungarian Chartered Company for State Railways (STEG), the Sub-Committee on the Distribution of the Austrian and Hungarian Debt called a meeting in order to lay this scheme before the States concerned, and to obtain their comments and eventually their adhesion.

The meeting was held at Vienna, at the headquarters of the Austro-Hungarian Bank, from September 5th to 11th.

The following were represented:

Hungary	by	H. E. Baron Koranyi and Dr. Zsigmondy
Czecho-Slovakia	by	Dr. Karel Brabenec, Dr. I. Cermak, and Dr. Jan Slama
Serb-Croat-Slovene Kingdom	by	Mr. V. Markovitch and Dr. Boncina
Austrian Republic	by	Dr. Mann, Dr. Wlasak, and Mr. Frühweis

Roumania was not represented.

NOTE by the Finance Service of the Reparation Commission: — The Roumanian Government, however, subsequently accepted this arrangement.

I. GENERAL STATEMENT

The existing bonds are as follows:

Categories		
1. 3% Old System Bonds—Issues I to X	436,000,000	francs
2. 3% Supplementary System Bonds—Issues I to IV (or Series A)	170,000,000	francs
3. 4% 1883 Bonds	79,000,000	marks
4. 4% 1900 Bonds	76,000,000	francs (and marks)
5. 5% Brünn-Rositz Bonds	973,000	marks
6. 5% Silver Florin Bonds—Issues I and II (1873 and 1874)	21,000,000	marks
7. 3% 1895 Bonds	45,000,000	marks

The last three categories must be set aside at once, since by a special agreement the Austro-Hungarian Chartered Company for State Railways (STEG) consents to retain responsibility for them as heretofore and consequently to exclude them from distribution among the States.

As the result of the purchase of October 11, 1908, the first four categories, the only ones which remain to be distributed, ceased to be bonds of the STEG and became bonds of the Austrian State. However, they are not to be distributed only between Austria and her cessionary State, Czecho-Slovakia, because Austria assumed part of this obligation on account of Hungary, which indemnified her through the Company. Arrangements must therefore be made to distribute the bonds between Austria and her cessionary State, Czecho-Slovakia, and Hungary and her cessionary States. Of these four categories, the first and second are to be distributed in this way. To avoid complications Austria and her cessionary State, Czecho-Slovakia, would continue to be responsible for the third category, in exchange for compensation. They would also continue to be responsible for the fourth category, first because it is secured on the Austrian system alone, and second because the bonds were issued in 1900, subsequent to Hungary's purchase of her system, and therefore for the benefit of the Austrian system.

II. FORMATION OF TWO GROUPS OF DEBTORS

The distribution would therefore be effected as follows between the two groups of debtors:

ANNUAL LIABILITY

	Austria and her cessionary State, Czecho-Slovakia	Hungary and her cessionary States
3% Bonds 24,290,000 francs	12,839,900	11,450,100
4% Bonds 3,645,000 francs	3,645,000	—
Annuity 5,500,000 francs	2,907,400	2,592,600
4% Mark Bonds 3,763,000 marks	3,763,000	—
Total	19,392,300 francs 3,763,000 marks	14,042,700 francs —

These proportions were determined on the principal that 58% of the total obligation should be assigned to *Austria* and her cessionary State, and 42% to *Hungary* and her cessionary States, account being taken of the fact that the fourth category was assigned exclusively to Austria and her cessionary State, Czecho-Slovakia.

These percentages are in accordance with the respective value of the two systems, as ascertained from all available information.

III. BASIS OF DISTRIBUTION AMONG THE STATES

It remains to determine the share to be assigned to each State. These shares should be fixed as follows, subject to such future adjustment as may be found to be necessary:

Between Austria and her cessionary State, Czecho-Slovakia, who assume four categories of bonds, the basis of distribution shall be that generally adopted by the Sub-Committee, that is, the kilometric length of all the lines.

This would give the following distribution:

Austria	(495,602 *km*)	20.023%
Czecho-Slovakia	(1,979,608 „)	79.977%
	(2,475,210 *km*)	

Between Hungary and her succession or cessionary States (Czecho-Slovakia, Roumania, the Serb-Croat-Slovene Kingdom), a similar basis shall be adopted, but it shall be rectified by the help of figures representing the capital outlay. The proportions would be as follows:

Hungary	23.168%
Czecho-Slovakia	43.731%
Roumania	25.101%
Serb-Croat-Slovene Kingdom	8.000%

There is appended to the present Report, by way of information, a table of figures which are not in any way binding on either the Sub-Committee vis-à-vis the States or on the States, who expressly reserve their right to examine and discuss them.

IV. DATE AS FROM WHICH THE DEBT ARISES

It is agreed that the date as from which the debt arises shall be the date determined by the Reparation Commission as the one on which the secured debt shall be assumed by the succession or cessionary States.

V. MORTGAGES

In application of Article 203, paragraph 1, sub-paragraph 3, of the Treaty of St. Germain, and Article 186, paragraph 1, sub-paragraph 3, of the Treaty of Trianon, each State is entitled to demand the cancellation of any pledge or mortgage secured on the system of its territory other than the portion of the debt which it assumes.

VI. ARAD-TEMESVAR LINE

The annuity of 288,745 florins due to the Austro-Hungarian Chartered Company for State Railways (STEG) under the purchase contract of June 7, 1891, of the Arad-Temesvar Line shall be incumbent on Roumania, the entire line of this railway lying within her territory.

In application of Article 186, paragraph 1, sub-paragraph 3, of the Treaty of Trianon, since this debt cannot be secured outside the territory in which the line is situated, the States shall be entitled to demand the cancellation of any mortgage secured on their system under this head.

Vienna, September 11, 1922.

For Austria (signed):
Dr. Mann
Dr. Wlasak
Frühweis

For Hungary (signed):
Baron Frederic Koranyi
Dr. Kalman Zsigmondy

For the Serb-Croat-Slovene Kingdom (signed):
for: Dr. Boncina: Dr. Ploj

For Czechoslovakia (signed):
Dr. Karel Brabenec
Dr. Josef Cermak
Dr. Jan Slama

Appendix to report.

TABLE OF DISTRIBUTION AMONG THE SUCCESSION AND CESSIONARY STATES

To the liability for the service of the bonds is added that for the fixed annuity granted to the Austro-Hungarian Chartered Company for State Railways (STEG) (5,500,000 francs), to be distributed among the States.

The total obligation would therefore be as follows:

3% franc Bonds	24,290,000 francs
4% franc Bonds	3,645,000 francs
Annuity due to the STEG	5,500,000 francs
Total in francs	33,435,000 francs
4% mark Bonds	3,763,000 marks

This obligation should be distributed as follows:

	Austria	Czecho-Slovakia	Hungary	Roumania	Serb-Croat-Slovene Kingdom
3% franc Bonds.	2,570,933	10,268,967	—	—	—
	—	— 5,007,243	2,652,759	2,874,090	916,008
4% franc Bonds.	713,071	2,931,929	—	—	—
Annuity	582,149	2,325,251	—	—	—
		— 1,133,770	600,654	650,768	207,408
4% mark Bonds.	753,000	3,010,000	—	—	—
Total in:					
Francs	3,866,153	21,667,160	3,253,413	3,524,858	1,123.416
marks	753,000	3,010,000	—	—	—

Alternative table (in case the annuity is assumed by the Hungarian Group alone).

	Austria	Czecho-Slovakia	Hungary	Roumania	Serb-Croat-Slovene Kingdom
3% franc Bonds.	3,153,082	12,594,218	—	—	—
	—	3,735,808	1,979,173	2,144,303	683,416
4% franc Bonds.	713,071	2,931,929	—	—	—
Annuity	—	2,405,205	1,274,240	1,380,555	440,000
4% mark Bonds.	753,000	3,010,000	—	—	—
Total in:					
francs	3,866,153	21,667,160	3,253,413	3,524,858	1,123,416
marks	753,000	3,010,000	—	—	—

B

RESOLUTIONS ADOPTED IN CONNECTION WITH STATE DEBTS DUE TO THE AUSTRO-HUNGARIAN CHARTERED COMPANY FOR STATE RAILWAYS

With a view to fixing and distributing, in application of Article 203, paragraph 1 sub-paragraph 2, of the Treaty of St. Germain and Article 186, paragraph 1, sub-paragraph 2 of the Treaty of Trianon, the amount of the debt due to the Austro-Hungarian Chartered Company for State Railways (STEG), the Sub-Committee for the Distribution of the Austro-Hungarian Debt called a meeting at Vienna which the following were invited to attend: the States concerned, that is Hungary, Czecho-Slovakia, Roumania, the Serb-Croat-Slovene Kingdom, and the Austrian Republic, of the one part, and the Austro-Hungarian Chartered Company for State Railways (STEG) of the other part.

The sessions were held in Vienna, at the headquarters of the Austro-Hungarian Bank, from September 5th to 11th:

The following were represented:

Hungary	**by**	**H. E. Baron Koranyi and Dr. Zsigmondy**
Czechoslovakia	**by**	**Dr. Karel Brabenec, Dr. I. Cermak and Dr. Jan Slama**
Serb-Croat-Slovene Kingdom	**by**	**Mr. V. Markovitch and Dr. Boncina**
Austrian Republic	**by**	**Dr. Mann, Dr. Wlasak and Mr. Frühweis**
The Austro-Hungarian Chartered Company for State Railways	**by**	**Dr. Sieghart and Dr. Reisch**

Roumania was not represented.

I. STATEMENT

The claim of the Austro-Hungarian Chartered Company for State Railways (STEG) is based (with the exception of the annuity relating to the *Arad-Temesvar* railway on Article 3 of the contract of June 7, 1891.

"The purchase price for the whole of the objects repurchased and enumerated in Article 1, is fixed at an annuity of 10,655,000 (ten million six hundred an sixty five thousand) florins, Austrian value, payable over a period of 75 years."

"From this annuity shall be deducted a tax of 10%."

"The net annuity remaining and amounting to 9,598,500 (nine million five hundred and ninety eight thousand five hundred) florins, Austrian value, shall be free from all present or future taxes, surtaxes, dues and charges collected on behalf of the State or Communes. This annuity shall be paid to the Austro-Hungarian Chartered Company for State Railways or to its legally recognised successor, as from 1891 up to 1965, in advance and in two equal half-yearly instalments on January 1, and July 1, to the amount of 4,799,250 (four million seven hundred and ninety nine thousand two hundred and fifty) florins, Austrian value..."

"...If, during the month preceding the due date of an instalment of the annuity, the average rate of the Austro-Hungarian 8-florin gold piece should exceed 9.36 florins (nine florins thirty six kronen) (117% — one hundred and seventeen per cent) on the Vienna Exchange, the instalment due for payment to the Company by the Royal Hungarian Government shall be increased by the difference resulting from the higher rate, calculated on the basis of the sum of 3,250,000 gold florins (three million two hundred and fifty thousand gold florins)."

"If, for example, during the month preceding the due date of an instalment of the annuity, the average rate reached 9.40 (117½%), the difference between 117½% and 117%, that is ½% calculated on the sum of 3,250,000 gold florins would be 16,250 gold florins, Austrian value, and the Royal Hungarian Government would be required to pay this additional amount without any deduction whatsoever."

Furthermore, this claim is increased as a result of the fact that the Company agree to remain responsible for three categories of bonds (the 5% Brünn-Rossitz bonds, the 5% bonds of issues I and II — 1873 and 1874 and the 3% 1895 bonds), which will therefore not have to be apportioned among the States concerned.

The States concerned have recognised the existence of this claim and have requested that it first be estimated according to the principles of equity in French francs and reduced in a proportion to be determined.

II. COMPROMISE

The two parties to the case, that is the States of the one part, and the Company of the other part, therefore endeavoured to find a compromise.

On September 10, they drew up the following draft agreement:

A. The States concerned enumerated below in Chapter 3, shall pay to the Austro-Hungarian Chartered Company for State Railways (STEG) a fixed annuity of 5,500,000 French francs up to the date prescribed in the contract of June 7, 1891, that is up to December 31, 1965, in return for which the Company shall abandon its claim as defined above.

This annuity will carry the same privileges granted in the case of the annuity due under the contract of June 7, 1891, that is, exemption from all taxes, dues and charges present and future.

B. Furthermore, the Company shall retain entire responsibility for the service of interest and amortisation of the following three categories of bonds (the 5% Brünn-Rossitz bonds, the 1873 and 1874 5% bonds I and II, and the 5% 1895 bonds). Consequently, the Austro-Hungarian Chartered Company for State Railways (STEG) recognises the right of the States to demand the cancellation of all mortgages on their respective systems for the benefit of the holders of these bonds, which have been duly inscribed; this right is granted by Article 203 of the Treaty of Saint-Germain and Article 186 of the Treaty of Trianon, paragraph 1, sub-paragraph 3, from which it results that the system of any State cannot serve as security for a debt not assumed by that State.

C. On the other hand, the Company, which by a contract dated October 21, 1908, transferred to the Austrian State the service of interest and amortisation of the four categories of bonds hereinunder enumerated:

1. 3% bonds—Old system—issues I to X,
2. 3% bonds—Supplementary system—issues I to IV (or series A),
3. 4% 1883 bonds,
4. 4% 1900 bonds,

shall be definitively released from any liability relating thereto.

When these bonds have been apportioned among the States concerned, the latter will assume all liabilities attaching to the bonds.

III. DESIGNATION OF THE DEBTORS

The States acknowledged to be debtors of the Austro-Hungarian Chartered Company for State Railways by the present resolutions shall be designated by the Reparation Commission on the recommendation of the Sub-Committee.

Two methods have been considered but the Sub-Comittee has not yet declared itself in favour of either, neither has it adopted any decision as to the percentages to be used as basis for the distribution.

In the first method, the only debtors would be Hungary (to the extent of 23.168%) and her cessionary States: Czecho-Slovakia (to the extent of 43.731%), Roumania (to the extent of 25.101%) and the Serb-Croat-Slovene Kingdom (to the extent of 8%).

In the second method, the debtors would be Hungary (to the extent of 10.921%) and her cessionary States: Roumania (to the extent of 11.832%), the Serb-Croat-Slovene Kingdom (to the extent of 3.771%), of the one part, and Austria (to the extent of 10.381%), and her cessionary State, Czecho-Slovakia (to the extent of her Austrian plus her Hungarian share, that is 62.891%) of the other part, it being understood in this case that Austria and her cessionary State, Czecho-Slovakia, if they assume a portion of this annuity due to the STEG Company, shall be released from a corresponding portion of the annuity incumbent upon them in respect of the bond capital.

IV. DATE AS FROM WHICH THE DEBT ARISES.

It is agreed that the date as from which the Debt of the States shall arise shall be that fixed by the Reparation Commission as being that of the taking over of the secured debt by the succession or cessionary States.

V. PROCEDURE

The representatives of the States signatory to the present report have declared that they would propose and recommend that their respective States ratify the present draft agreement.

The representatives of the Austro-Hungarian Chartered Company for State Railways (STEG) have declared that they would propose and recommend that their Company ratify the said draft.

Both parties have undertaken to notify the Sub-Committee of the decision adopted by their respective principals (Governments or the Company) (ratification or otherwise) not later than October 15, next.

The Sub-Committee will await the expiration of this time-limit before submitting its recommendations to the Reparation Commission.

Vienna, this eleventh day of September, one thousand nine hundred and twenty-two.

For Austria (signed):

Dr. Mann
Dr. Wlasak

For the Serb-Croat-Slovene Kingdom (signed)

pro Dr. Boncina
signed Dr. Ploj

For Hungary (signed):

Baron Koranyi
Dr. Zsigmondy

For Czecho-Slovakia (signed):

Dr. Karl Brabenec
Dr. Cermak
Dr. Jan Slama

For the Austro-Hungarian Chartered Company for State Railways:

Dr. Sieghart
Dr. Reisch

Reparation Commission

Supplementary Protocol

The following has been agreed between the undersigned:

For the AUSTRIAN REPUBLIC: Drs. Mann, Wlasak and Frühweis.
For HUNGARY: H. E. Baron Koranyi and Dr. Zsigmondy, and
For CZECHO-SLOVAKIA: Drs. Karel Brabenec, I. Cermak and Jan Slama,

of the one part, and

For the AUSTRO-HUNGARIAN CHARTERED COMPANY FOR STATE RAILWAYS (STEG): Drs. Sieghart and Reisch,

of the other part,

under the auspices of the Sub-Committee for the Distribution of the Austro-Hungarian Debt:

"The resolutions adopted on September 11, 1922, prescribed that the annuity provided for in the contract of June 7, 1891, would cease to be due as from the date fixed by these resolutions for the coming into force of the new procedure. Consequently, the retrocession of a share of this annuity (Article V, paragraph 5, of the Purchase Agreement of October 21, 1908) to Austria and her cessionary State, Czecho-Slovakia, will cease at the same date.

Since this annuity has been paid by Hungary for a period that may be subsequent to the said date, due allowance will be made of this fact by the Austro-Hungarian Chartered Company for State Railways (STEG) in the settlement of accounts between it and Hungary.

Similarly, since the Austro-Hungarian Chartered Company for State Railways (STEG) has possibly in its turn paid a sum on account of this annuity to the Austrian Republic, the latter also undertakes to make allowance for this payment in the final settlement of accounts. Czecho-Slovakia, as a member of the Austrian group, hereby agrees to this adjustment of accounts, in order to conform to the terms of the resolutions mutually adopted on September 11, 1922."

Vienna, September 11, 1922.

For Austria (signed):
Dr. Mann
Dr. Wlasak
Dr. Frühweis

For Czecho-Slovakia (signed):
Dr. Brabenec
Dr. I. Cermak
Dr. Jan Slama

For Hungary (signed):
Baron F. Koranyi
Dr. Zsigmondy

For the Sub-Committee (signed):
Dr. Giulio Dolzani, Member and Secretary

For the Austro-Hungarian Chartered Company for State Railways (STEG) (signed):
Dr. Sieghart
Dr. Reisch

APPENDIX H

INNSBRUCK PROTOCOL

On the initiative of the Sub-Committee on the Distribution of the Austro-Hungarian Debts, duly authorised by the Reparation Commission (Decision of June 19, 1923), a conference was held on June 25, 1923, at Innsbruck, Austria, between the Delegates of the Succession and Cessionary States of former Austria-Hungary, on the one hand, and the representatives of the holders of Austrian and Hungarian bonds, on the other, with a view to the permanent settlement of questions arising from the service of certain categories of Austrian and Hungarian debts.

The Governments in question were represented by:

Dr. Walter Güttl, Ministerial Councillor ..... for Austria
Dr. Kalman Zsigmondy, Ministerial Councillor ..... for Hungary
Commendatore F. Pizzichelli, Ministerial Councillor ..... for Italy
Dr. Dragolicub G. Novakovitch, General Director of the National Bank ..... for the S. C. S. Kingdom
Dr. J. Mrozowski, Polish Delegate to the Reparation Commission for Poland
Dr. Karel Brabenec, Ministerial Councillor ..... for Czecho-Slovakia
M. Zeuceanu, Liquidator of the Austro-Hungarian Bank ..... for Roumania

The Associations and Committees were represented by:

M. Barde, Director of the Association Nationale des Porteurs Français de Valeurs Mobilières ..... for France
M. M. Alberti, of the Association Bancaria, Italiana ..... for Italy
Dr. A. F. van Hall, Chairman of the Committee of Holders of Austrian and Hungarian Bonds, and
Dr. H. A. van Nierop, Member of this Committee ..... for Holland
M. R. A. Koechlin, Chairman of the Committee pour les Etats Successeurs de l'ancienne Monarchie austro-hongroise de l'Association suisse des banquiers, and
M. S. Clerc ..... for Switzerland

After a joint examination of the measures to be taken, the Sub-Committee submitted to the approval of the members present the following text *ne varietur*, to which they affixed their signatures; it was understood that the final decision of their mandators or adherents concerning the ratification or non-ratification of the draft convention shall be notified to the Reparation Commission not later than November 15, 1923.

The Roumanian Delegate repeated the declaration made on behalf of Roumania at the Vienna Conference of March 21, 1923, and subsequently notified ot the Reparation Commission.

The representatives of the other States declared that freedom of action of their respective Governments in regard to ratification or non-ratification was entirely safeguarded.

Article 1

In order to represent the foreign holders of the securities herein after enumerated vis-à-vis the several States, there shall be constituted by the aforesaid Associations an organisation to be known as:

which shall be entrusted with receiving for the account and in the name of the holders the payments made by the Succession and the Cessionary States on the interest and amortisation of the said bonds and to provide, if necessary, with the replacement of bonds in circulation which are in a bad condition.

Article 2

The bonds in respect of which the Office will ensure the service are as follows:

1. the bonds originally issued by the Chartered Company for the Austrian and Hungarian State Railways (STEG), which are included in one of the loans hereinafter designated, regardless of the nationality of the holders concerned:

3 % Loan (original system), expressed in francs
3 % Loan (supplementary system), expressed in francs
1900 4 % Loan, expressed in francs and marks.

Since the Reparation Commission has adopted final decisions on the distribution of the loans of the STEG, the Office will, as soon as it is regularly constituted, be authorised to take all steps in support of the rights of the holders of these loans, whether or not these holders belong to the Succession or Cessionary States.

2. The bonds of the former non-secured Austrian or Hungarian public debt held outside the former territories of Austria and Hungary (Altausland) referred to in paragraph 9 of the Annex to Artible 203 of the Treaty of Saint-Germain and Article 186 of the Treaty of Trianon and included in one of the loans hereinafter designated:

Austrian 4 % gold annuity,
Hungarian 4 % gold annuity.

1914 4 1/2 % Austrian Treasury Certificate (expressed in crowns, marks, Dutch florins, francs and pounds sterling),

1913 4 1/2 % Hungarian annuity (expressed in crowns, francs, marks and pounds sterling),

1914 4 1/2 % redeemable Hungarian annuity (expressed in crowns, francs, marks and pounds sterling).

3. If necessary, the other bonds included in the former Austrian or Hungarian public debt in respect of which an agreement has been concluded between the Governments and the Office.

Article 3

The Office shall have its head-quarters at Paris, it shall have the option of changing its head-quarters and its nationality.

Article 4

The Office shall be directed by a Managing Board composed of:

a) representatives of the bond holders;

The representatives of the *Belgian* holders shall be represented by the Association belge pour la Défense des Détenteurs de Fonds Public at Antwerp; the representatives of the *British* holders, by the Council of Foreign Bondholders; the representatives of the *French* holders, by the Association Nationale des Porteurs Francais de Valeurs Mobilières; the representatives of the *Italian* holders, by the Associazione Bancaria italiana; the representatives of the *Dutch* holders, by the Committee of holders of Austrian and Hungarian Bonds, constituted by the Vereeniging voor den Effectenhandel (Amsterdam Exchange Committee), and the representatives of the *Swiss* holders, by the Association suisse de Banquiers at Bale.

The five associations of holders which represent the most important groups of bonds, that is, the French, Dutch, Belgian, Swiss and British associations, will each appoint two delegates to the Board of the Office; the other associations will appoint one delegate each. Each association shall have the right to appoint one or more deputies. The appointment of each of these delegates shall be notified to the Government of which he is a national.

b) a Commissioner delegated, in annual rotation, by each of the Governments of the Succession and Cessionary States.

c) a President, who shall have the casting vote in case of a tie, and who may be chosen, in rotation and for one year at a time, from the members of the Board who represent the three most important national groups of holders. The President shall be re-eligible for an indefinite period.

Article 5

The Executive Board of the Office shall hold two regular meetings each year, in June and December. If necessary, special meetings may be called, on the initiative of the President or at the request of the Commissary or of two associations.

The Board shall publish a yearly report on the operations of the Office during the past working year.

Article 6

The budget of expenditure shall be drawn up by the Managing Board of the Office.

Until the payment of the first quarterly instalment the States shall ensure the working expenses of the Office by means of advances to be repaid or credited within two years, and which may be as high as 600,000 francs, payable half at the time when the Office takes up its functions and half six months after this date.

These advances shall be distributed as follows:

Republic of Austria	115,000
Kingdom of Hungary	138,000
Kingdom of Italy	12,000
Republic of Poland	42,000
Kingdom of Roumania	71,000
Serb-Croat-Slovene Kingdom	49,000
Republic of Czecho-Slovakia	173,000

Article 7

The Managing Board of the Office shall appoint a General Secretary who will receive its instructions and be responsible for the proper functioning of the Office. The General Secretary and his assistant shall be present at all meetings of the Managing Board.

The staff of the Office shall be chosen by the General Secretary.

Article 8

The bonds now in circulation shall in general be maintained.

The Office shall be empowered to deliver new coupon sheets bearing mention of the changes made in the conditions of the service. The Office shall make no payments on the former coupons.

Article 9

The net quota due by each State for the service of the loans known as the 4% Austrian gold annuity and the 4% Hungarian gold annuity shall be that fixed by the Reparation Commission in a decision to be adopted hereafter.

In view of the economic and financial conditions under which all the States concerned are labouring, the burden incumbent upon them vis-à-vis the holders of bonds in the territory of the non-succession and non-cessionary States is limited to 32 % (thirty-two per cent), including commission, of the amount of the interest stipulated in gold.

The States shall pay the sums thus calculated at the head-quarters of the Office, in quarterly instalments, payable at the due dates, for the current service of the coupons, the first being payable on April 1, 1925. If this payment is not made in actual gold, it shall be in *pounds* sterling or United States *dollars*, according to instructions to be notified to each State at least two months before the due date.

The repayment of back coupons corresponding to the period included, for the Austrian annuity, between April 1, 1920, and December 31, 1924, and for the Hungarian annuity, between July 1, 1921, and December 3, 1924, shall be calculated on the same basis of 32 % and shall be paid in quarterly instalments, without interest, over a period of twelve years, from January 1, 1926, to October 1, 1937.

Payments on the current service and on arrears will be made according to the following schedule:

Date	For the Austrian 4 % gold annuity: percentage of nominal capital, reduced to 32 %	For the Hungarian 4 % gold annuity: percentage of nominal capital reduced to 32 %
April 1, 1925	1 %	1 %
July 1, 1925	1 %	1 %
October 1, 1925	1 %	1 %
January 1, 1926	1 19/48 %	1 19/48 %
April 1, 1926	1 19/48 %	1 19/48 %
etc. etc.	ditto	ditto
October 1, 1937	ditto	ditto
January 1, 1938	1 %	1 %
April 1, 1938	1 %	1 %
etc. etc.		

In regard to the following loans, the net quotas of which shall also be determined by the Reparation Commission:

1914 4 1/2 % Austrian Treasury Certificates (expressed in crowns, marks, Dutch florins, francs and pounds sterling),

1913 4 1/2 % Hungarian annuity (expressed in crowns, francs, marks and pounds sterling),

1914 4 1/2 % redeemable Hungarian annuity (expressed in crowns, francs, marks and pounds sterling).

The States will pay to bondholders in the territory of the non-succession and non-cessionary States 27 % (twenty-seven per cent), inclusive of commission, of the gold parity of the specified total. This clause shall apply only to holders who are represented on the Board, in respect of bonds stamped in conformity with the decisions of the Reparation Commission, subject to the contractual provisions concerning the amortisation of the Austrian Treasury Certificates.

Payment of the sums due in respect of interest and amortisation of the loans enumerated in the preceding paragraph will be effected in accordance with the following conditions in regard to gold annuities.

In regard to arrears, the following will be due:

1. For 4 1/2 % Austrian Treasury Certificates 1914:

A. Interest from July 1, 1920, to December 31, 1924;

B. Amortisation: bonds drawn or to be drawn during 1921, 1922, 1923 and 1924.

REPARATION COMMISSION

ERRATUM.

PUBLICATION No. VII OF THE REPARATION COMMISSION

Distribution of the Pre-War Austrian and Hungarian Debt.

Page 60, 6th line from the bottom of the page:

for"..... will be effected in accordance with the following....."

read:"..... will be effected in accordance with the foregoing....."

2.6.25.

2. For 4½% Hungarian annuity 1913:
Interest from March 1, 1921, to December 31, 1924.

3. For the redeemable 4½% Hungarian annuity 1914:

A. Interest from April 1, 1921, to December 31, 1924;

B. Amortisation: bonds drawn or to be drawn during 1921, 1922, 1923 and 1924.

It is understood that before the payment due on January 1, 1931, is effected, the contracting parties will revise the restrictions laid down in the preceding article for the service of the coupon falling due, in such a way that, if the financial situation of the States should improve, the above percentage may be increased accordingly.

ANNEX

Note on the conditions of payment

1. Gold annuities.

2. Bonds expressed in several currencies.

1. Gold annuities.—The percentage fixed at 32%, inclusive of commission, shall apply to the gold value of the dollar or of the pound sterling taken at par for the weight of fine gold and of the respective bonds in accordance with the legislation in force on January 1, 1914.

2. Bonds expressed in several currencies.—The percentage fixed at 27%, inclusive of commission, shall apply to the parity of one of the currencies in which the bond is expressed, at the discretion of the Finance Office, for its gold equivalent on the due date.

Example: Assuming that the pound sterling is chosen and that this currency loses two points in relation to the *gold* pound, the 27% will apply to 98/100ths (ninety-eight hundredths) of the gold pound.

Note: In regard to the Austrian Treasury Certificates, the contractual provisions laid down concerning the redemption of amortised bonds remain in force in accordance with the stamp of the place of issue.

Article 10

In the event of failure on the part of one or other of the States to carry out the provisions of the present agreement, individual bondholders or associations of holders acting on their behalf shall recover from the defaulting State the entire claims which they hold under the Treaties and contracts of issue indicated above.

Article 11

The Finance Office shall totalise, for each category of bonds for the service of which it is responsible, the amount of the annuities respectively due by the succession and cessionary States. It shall fix, according to the ratio existing between the total receipts and the total annuities due, in accordance with the terms of the relevant issue contracts, the sum to be assigned to the payment of interest, and, if necessary, of the amortisation of each category of loan.

If the total payments made during the financial year are less than the total annuities due by the States, the Office shall apportion pro rata the sums thus received among the various categories of loans.

It is understood that as soon as a State has effected the payment due by it, it shall be considered to be definitively released from its liability.

Article 12

Provided that they have for three consecutive financial years effected the payment of the annuities assigned to them, the succession and cessionary States shall, in agreement with the bondholders' representatives, have the right to redeem the total amount of their respective annuities. Payment in respect of this redemption may be made either in cash or by the delivery of annuity stock of the redeeming State. The sums received by the

Office in connection with this redemption may be assigned either to the redemption by auction or on the Stock Exchange or to the partial redemption, of the capital of the bonds of this category in circulation.

Upon the expiration of a period of 15 years of regular and uninterrupted service as from January 1, 1925, each State shall have the right to redeem, on the market for its own account, the bonds administered by the Office, for a capital amount corresponding to its share. In this case, the redeeming State shall deliver the bonds redeemed to the Office for the purpose of verification, with a view to its definitive discharge.

Article 13

The Succession and Cessionary States shall have the right to delivery to the Office, with the approval of the latter, and as the equivalent of the capital value of annuities not yet due from them, bonds of their national debt.

In no circumstances shall these bonds be affected by subsequent charges due under fiscal or other measures. They shall be entered in the name of the Managing Board of the Office and deposited with a bank mutually approved by the Managing Board and the Government of the Succession or Cessionary State concerned. In the event of suspension of payment of the coupons of these bonds, the holders shall recover de plano their claims in respect of the annuities provided for in the present agreement.

Article 14

The conditions for the cashing of coupons as well as for the auditing of redeemed bonds and coupons paid by banks appointed for this purpose by the Office for the Service of Bonds, shall be set forth in a special ruling drawn up by the Office.

Article 15

Each State shall have the right to withdraw its ratification of the present agreement if the majority of the States decide not to ratify it.

Article 16

The provisions of the present agreement shall apply to all bondholders whose bonds have been stamped outside the territory of the Succession and Cessionary States, to the exclusion of any privileges held under separate arrangements by a group of bondholders.

Article 17

The execution of the obligations prescribed in the present agreement is, in so far as is necessary, dependent upon the fulfilment of the formalities and regulations laid down by the constitutional laws of these Governments having to apply them, such application being made with as little delay as possible.

Article 18

In the event of any dispute between the Joint Office and one or other of the Succession or Cessionary States regarding the application of the present agreement, the matter shall be referred to an arbitral tribunal composed of two arbitrators to be appointed one by each party; failing agreement between these arbitrators, the latter shall appoint an umpire to settle the divergence of opinion.

The decision of the arbitral tribunal shall be binding on both parties.

Article 19

The present agreement shall remain in force until the complete redemption of the bonds of the former Austrian and Hungarian debts which form the subject of the present provisions.

This agreement shall not be denounced or amended before this date except in virtue of a decision by the Governments and Associations signatory thereto.

In Witness Whereof, the Members of the Conference have affixed their signatures to the present protocol.

Innsbruck, June 29, 1923

The Sub-Committee:

Signed: *M. Bouniols,* *Dr. Ploj* *Dr. Dolzani*

DELEGATES OF THE STATES:

For Austria (Signed): *Dr. Güttl*

For Hungary (Signed): *Dr. Zsigmondy*

For the S. C. S. Kingdom (Signed): *Dr. Drag. G. Novakovitch*

For Italy (Signed): *Dr. Fuanto Pizzichelli*

For Poland (Signed): *M. J. Mrozowski*

For Czecho-Slovakia (Signed): *Dr. Karel Brabenec*

REPRESENTATIVES OF THE ASSOCIATION:

For France (Signed): *M. Barde*

For Italy (Signed): *M. Alberti*

For the Netherlands (Signed): *A. van Hall* and *van Nierop*

For Switzerland (Signed): *M. Koechlin*

APPENDIX I

REGULATIONS GOVERNING THE RELATIONS BETWEEN THE CAISSE AND THE REPARATION COMMISSION

1. The "Caisse Commune" is an institution created in accordance with the Protocol signed at Innsbruck on June 29, 1923, by the holders of bonds of the Austrian and Hungarian public debt mentioned in paragraph 9 of the Annex to Article 203 of the Treaty of St. Germain and the corresponding article of the Treaty of Trianon.

2. It is recognised by the Reparation Commission as the only institution representing the holders for the purpose of obtaining on their behalf delivery of the compensation bonds.

3. The "Caisse Commune" undertakes to make a complete census of the bonds mentioned in the paragraph referred to above and to deliver to the holders a certificate or other credit voucher (for instance, in the form of a new coupon sheet) entitling them to their due proportionate share of the sums obtained in virtue of new issues of compensation bonds issued in accordance with the Annex mentioned above.

4. This operation of taking a census will be substituted for that of withdrawing bonds and exchanging them for certificates to be delivered by the Reparation Commission, as laid down in the Annex in question.

5. On the other hand, the Reparation Commission will hand over to the "Caisse Commune" the compensation bonds issued and delivered by the debtor States, to a nominal amount corresponding to the amount of old bonds, according to the census made by the "Caisse Commune", the service of these bonds being taken over by this office.

6. The compensation bonds will be issued and drawn up in accordance with the terms of the Annex to Article 203 of the Treaty of St. Germain (Article 186 of the Treaty of Trianon). The Reparation Commission will determine the amount of the denominations which will, if possible be established in round figures; in certain cases a denomination may include, in the form of a general obligation, the entire quota incumbent upon one State. It will, however, be stipulated that the Debtor State remains under the obligation to substitute in whole or in part, if called upon to do so, fractional denominations for the bonds issued by it, with a view to facilitating distribution.

Other conditions of payment may be approved after direct negotiations between the Debtor States and the "Caisse Commune", the latter acting as agent of the holders which it represents.

7. The Reparation Commission will fix, for the purposes of the census, a final time-limit, upon the expiration of which any bond which has not been presented will no longer be accepted for the purpose of the distribution of compensation bonds.

8. The "Caisse Commune" will first deal with the following categories of the unsecured Austrian and Hungarian Debt:

Austrian 4% gold annuity stock;

Austrian 4½% Treasury Bonds, 1914 issue in crowns, marks, francs and pounds sterling;

Hungarian 4% gold annuity stock;

Hungarian 4½% annuity stock 1913 issue in crowns, marks, francs and pounds sterling;

Hungarian 4½% redeemable annuity stock, 1914 issus in crowns, marks, francs and pounds sterling.

9. The "Caisse Commune" shall admit to the census and distribution, on equal terms, all bonds of the above categories held outside the Succession or Cessionary States, irrespective of the nationality of the holder and regardless of whether the holder is represented at the "Caisse Commune" by the agency of a national association or some other organisation.

10. Any bond bearing the stamp of non Succession and non Cessionary States is entitled to be admitted without opposition.

11. Any bonds which are not stamped will be admitted when it has been proved that they do not come from the territory of Succession or Cessionary States.

12. On the other hand, all bonds bearing the stamp of a Succession or Cessionary State will be excluded unless such stamp is the special stamp of consular agents affixed to the bonds belonging tho the nationals of a Succession or Cessionary State and held outside these States.

13. The census and delivery of certificates (new coupons) will be effected category by category and will be based upon the list of debts drawn up by the Reparation Commission. However, if the Commission expressly decides it, the merging of two or more categories of debts into one single debt will be admitted in order to simplify the compensation and census procedure (new coupons).

14. If any doubtful cases arise in the course of the census, the "Caisse Commune" will apply to the Reparation Commission for instructions.

15. Those Succession or Cessionary States that have been recognised by the Reparation Commission as entitled to compensation in respect of a surplus revealed in their stamping, will likewise be admitted to the "Caisse Commune" for the amount of this credit, on the same terms as the holders. In that case, the Reparation Commission will hand over to the "Caisse Commune" compensation bonds corresponding to the nominal amount of the surplus.

16. Special decisions of the Reparation Commission will establish a plan for the amortisation of redeemable debts. The Reparation Commission will consider any proposals which the "Caisse Commune" may submit after agreement with the Debtor States.

17. The question whether the service of the "Caisse Commune" should subsequently be extended to all other categories of the unsecured Austrian and Hungarian debt is left open for further consideration.

18. As regards the bonds of the secured debt, special provisions might, as has already been agreed upon in the Innsbruck Protocol, entrust the "Caisse Commune" with the service of certain loans, the responsibility for which has been distributed among several States. In that case, the operations of the "Caisse Commune" will, unless it is otherwise decided, include all the bonds of the loan in question, regardless of the nationality of the holder and the place of deposit. In the event of such proposals not being agreed to, the "Caisse Commune" may, if authorised by its statutes, nevertheless collect the bonds of one or more groups of holders with a view to advancing their claims.

APPENDIX J

STATUTES OF THE CAISSE COMMUNE DES PORTEURS DES DETTES PUBLIQUES AUTRICHIENNES ET HONGROISES EMISES AVANT LA GUERRE

(Common Fund of Bondholders of the Austrian and Hungarian Pre-War Debt)

Incorporated after the model prescribed by the French law of July 1, 1901

(The Statutes were deposited at the Prefecture of Police in Paris on December 20, 1924)

OBJECT OF THE ASSOCIATION

Article 1

With a view to fulfilling the conditions laid down in the Innsbruck Protocol, concluded on June 29, 1923, under the auspices of the Distribution Sub-Committee of the Reparation Commission, between the representatives of Austria, Hungary, Italy, the Serb-Croat-Slovene Kingdom, Poland and Czecho-Slovakia on the one part, and the representatives of the recognised bondholders Associations in Belgium, France, Great Britain, Italy, Holland and Switzerland, on the other part, the following bondholders' associations:

Association belge pour la Défense des Detenteurs de Fonds publics, at Antwerp;
Association National des Porteurs français de Valeurs Mobilières, at Paris;
Council of Foreign Bondholders, at London;
Associazione Bancaria Italiana, at Milan;
Vereeniging voor de Oostenrijksche en Hongaarsche Fondsen, at Amsterdam;
Association suisse des Banquiers, at Bale;
joined, at the meeting of final incorporation, by the Verein zur Wahrnehmung der Interessen deutscher Eigentümer von Anleihen der ehemaligen Österreichisch-Ungarischen Monarchie, at Berlin;
and any others subsequently adhering to the present Statutes, agree to form an Association according to the model prescribed by the French law of July 1, 1901.

The object of the present Association is to look after the general interests of bondholders of the public debt issued before the war by the States of the former Austro-Hungarian Monarchy, who are represented by the above-named bondholders Associations, and of all other holders of such securities, except those falling under paragraph 3 of the annex to Article 203 of the Treaty of St. Germain or Article 186 of the Treaty of Trianon;

to safeguard the rights of bondholders as confirmed by the Treaties of Peace and subsequent agreements;

to collect and receive the payments due to them under such Treaties or agreements and to distribute them among the bondholders;

in general, to conclude any financial agreements with the Succession or Cessionary States of the former Austro-Hungarian Monarchy with a view to the service of interest or the amortisation of loans for a portion of which they have had to assume responsibility under the aforesaid Treaties. These agreements may extend also to the service of certain loans classed in the Secured Debt, provided always that in this last case, unless specially provided otherwise, such agreements shall be applicable to all holders without distinction of nationality.

NAME

Article 2.

The name of this Association shall be the "Caisse Commune des Porteurs des Dettes publiques autrichienne et hongroise emises avant la guerre."

HEAD OFFICE

Article 3

The head office of the Association shall be at 5 rue Gaillon, Paris. The nationality of the Caisse may be altered and its head office moved by decision of the Managing Board, whose powers are defined in Article 6.

DURATION

Article 4

The Association will come to an end only after the extinction of the redeemable loans and the redemption or conversion of the perpetual debts included in the public debts or the debts of the Austrian and Hungarian railways enumerated below.

A. The debentures issued by the Austro-Hungarian Chartered Company for State Railways (STEG) 3 % loan (former system) expressed in francs,
3 % loan (supplementary system) expressed in francs,
4 % loan 1900 expressed in francs and marks.

} Service entrusted to the Caisse by the Innsbruck Protocol, by way of exception.

B. Austrian 4 % Gold annuity;
Hungarian 4 % Gold annuity;

C. 4 ½ % Treasury certificates—1914 (expressed in crowns, marks, florins, French and Belgian francs and pounds sterling);
4 ½ % Hungarian annuity—1913 (expressed in crowns, francs, marks and pounds sterling);
4 ½ % redeemable Hungarian annuity stock 1914 (expressed in crowns, francs, marks and pounds sterling)

and any other loan stock, such as those indicated in Article 1 *in fine*, the service of which may be entrusted to the Caisse.

POWERS

Article 5

The Caisse will centralize the exercise and representation of all rights and interests attaching to the bonds enumerated above, provided that the holders, through their several national Associations, have adhered to the present Statutes. The mere fact of a deposit of the bonds, counterfoils and old coupon sheets with a view to the issue of new coupon sheets on the terms indicated hereinafter, will constitute the adhesion of the holders to the Statutes of the Caisse.

The individual or collective powers thus conferred on the "Caisse Commune" will be exercised in practice by its Managing Board.

ADMINISTRATION

Article 6

The administration of the Caisse is entrusted to a Board composed of representatives of the bondholders.

The *Belgian* holders are represented by the Association belge pour la Défense des Dètenteurs de Fonds Public; the *British* holders by the Council of Foreign Bondholders; the *French* holders by l'Association Nationale des porteurs français de valeurs mobilières; the *Italian* holders by l'Associazione Bancaria Italiana; the *Dutch* holders by the Vereeniging voor de Oostenrijksche en Hongaarsche Fondsen (constituted by the Vereeniging voor den Effectenhandel); the *Swiss* holders by the Association suisse des Banquiers (Comité pour les Etats successeurs de l'ancienne Austrich-Hongrie), the *German* holders by the Verein zur Wahrnehmung der Interessen deutscher Eigentümer von Anleihen der ehemaligen Österreichisch-Ungarischen Monarchie.

The seven founder associations, viz., the Belgian, British, French, Italian, Dutch, Swiss and German Associations, are entitled each to appoint two delegates to the Managing Board of the "Caisse"; other associations may appoint one or two delegates after agreement with the Managing Board. Each association may appoint one or more deputies, who will exercise the right of the regular delegates in the absence of the latter. The appointment of each of these delegates will be notified to the Government of which he is a national.

A Commissioner delegated in annual rotation by the Governments of the Succession and Cessionary States jointly shall be attached to the Managing Board of the Caisse and will attend all its Meetings.

The members of the Board appointed by the bondholders' Associations will remain in office for 5 years; they will be elected either at the holders' meetings or by the executive organs of the Associations, at their option, and in accordance with the rules and "statutes" of each national body. The members are eligible for re-election indefinitely.

In the event of the resignation, retirement or death of a member, it will be for the Association which he represents to arrange within three months from his departure from office for his replacement on the Managing Board of the Caisse.

The Board will elect yearly at the first meeting a Chairman and two Vice-Chairmen. The Chairman, who will have the casting vote, may be elected in annual rotation from among the members of the Board who represent the three largest national groups of bondholders. The Chairman will be eligible for re-election indefinitely.

The Chairman shall represent the Caisse both as against the States and against third parties. He will sign in its name all deeds, publications or notices and all correpondence and see to the execution of its decisions, with the proviso that all deeds or agreements whether individual or general in character will only be approved and signed by him after authorisation by the Board and must be countersigned by a member of the Board of a nationality other than his own.

In the event of the Caisse being obliged to go to law either as plaintiff or defendant, it will, for the purpose of necessary formalities, be represented by its Chairman who will have to conform to the rule of the local law.

In case of absence or incapacitation of the Chairman, and during such absence or incapacitation, one of the Vice-Chairmen shall act as Chairman.

GENERAL SECRETARY

Article 7

The Managing Board of the Caisse will appoint a General Secretary, who is empowered, under the authority of the Board, to despatch the business of the Association. The General Secretary, on behalf of the Chairman will represent the Board as against States or third parties for the execution of decisions. He is responsible to the Board.

The General Secretary will have under his authority the office staff of the Caisse; he will provide for its engagement and allocation to the various services, in agreement

with the Board. All proposals laid before the Board as to the promotion of the office staff or any disciplinary action to be applied to it will emanate from him.

Further, the General Secretary will draw up, in the first week of each month and always in the same form, a statement showing the monies received and the payments made in the foregoing month in respect of loans the service of which is administered by the Caisse. This statement is to be forwarded to the several Associations represented on the Managing Board of the Caisse.

COMMISSIONER FOR THE STATES

Article 8

The Commissioner must be invited to attend every meeting of the Managing Board, where he will have an advisory vote. His absence shall not have the effect of invalidating the decisions of the Board, provided that he was regularly convened by a notice sent at least three weeks beforehand.

The Commissioner is entitled to look into the management of the Board and to examine the books and other relevant documents. He may not, in any circumstances, interfere in the administration.

The General Secretary is bound to give the Commissioner any information needed in the exercise of his mandate.

MEETINGS OF THE MANAGING BOARD

Article 9

The Board will hold two ordinary meetings every year, in April and in October.

Further meetings may be convened by the Chairman either on his own initiative or on application by the Commissioner for the States at the request of another Association, subject to his agreement, or at the request of two Associations.

The ordinary meetings will be devoted to the consideration of questions of current administration submitted to the Board by the Chairman. The second meeting will necessarily be devoted to preparing the budget referred to in Article 11.

The members of the Board have each one vote. In case of an equality of votes the Chairman has the casting vote.

The first meeting of the Board will take place immediately after the appointment of its members.

The presence of one member over and above half the members shall be necessary to form a quorum.

POWERS OF THE BOARD

Article 10

The Board is empowered on behalf of the Caisse to collect and receive directly for the holders' account, through its agents or through establishments authorised by it for the purpose, the annuities paid by the Succession or Cessionary States of the former Austro-Hungarian Monarchy, as due under the Treaties of Saint-Germain and Trianon, the Innsbruck Protocol of June 29, 1923, and all other subsequent Agreements, Protocols or Riders.

The Board will determine the apportionment of the monies paid by the States between each category of the loans for the service of which the Caisse has to provide, on the basis of

a) the percentage arrived at under the decisions of the Reparation Commission;

b) in the case of redeemable loans, the ratio between the interest and the rate of amortisation as fixed in the contract of issue, subject to any other arrangement which might be reached as to the system of discharge either among the interested parties or by decision of the Reparation Commission.

The Board may decide to combine two or more coupons so as to make only one payment in the same year.

BUDGET AND PERIODICAL STATEMENTS OF THE CAISSE

Article 11

The Managing Board will draw up, during the three months preceding the commencement of each business year (January-December), a budget of the Board's estimates for administration expenses and receipts.

This budget will be communicated to the Commissioner for the States.

The receipts of the Caisse will consist of commissions for costs authorised by the Board to be charged on the annuities paid by the Succession or Cessionary States of the former Austro-Hungarian Monarchy, and also of any grants from States or public bodies, etc.

The expenses of the Caisse include in particular: the remuneration of members of the Board and their expenses incurred for meetings, the indemnity allowed to the Commissioner for the States, general administration expenses, costs of publishing reports and notices, rates and taxes, commissions for financial service in connection with the new issue of coupons and payment of coupons, withdrawal or replacement of bonds, or any other operations which have to be done through credit establishments or banks. The Caisse will arrange for the service of the bonds entrusted to its administration through the same establishments which were previously entrusted with the finacial service under the original contracts of issue or under subsequent arrangements, except in case of a special decision to the contrary of the Managing Board of the Caisse, appointing new pay-offices or substituting new ones for those which have closed down.

The Board will also have to draw up on December 31, of each financial year a definitive General Return showing in detail all the operations done. This General Return will be communicated before publication to the Reparation Commission and to the Commissioner for the States.

The Board will cause to be published every six months, in particular through the medium of the national Associations, on the markets of Amsterdam, Antwerp, Basle, Berlin, London, Milan and Paris, or any other countries afterwards designated, a concise statement of the monies received and payments made during the preceding six months.

This statement will show:

1. the amounts paid by the Succession or Cessionary States of the former Austro-Hungarian Monarchy;
2. the total amount of the payments made for general administration expenses;
3. the aggregate amount paid out, for each loan, for the service of coupons or amortisation;
4. the cash in hand after these various items of expenditure have been met.

TREASURY AND ACCOUNTING SERVICE

Article 12

The Board will give the General Secretary all proper instructions for the apportionment of the payments between the various loans, and also, in a general way, as to the movement of funds, the formation of reserves at the different payment centres by conversion into gold or foreign bills, and the arrangements to be negotiated for the purpose of securing the co-operation of credit establishments or banks.

Similarly, the General Secretary will have to submit proposals to the Board as to the new issue of coupons (which will be accompanied by a registration of the debentures of loans the service of which is administered by the Caisse), the renewal of defaced bonds, the replacement of bonds or coupon sheets in case of loss, theft or destruction, the costs of publishing the price-quotations of the loans on foreign bourses, and any negotiations or arrangements with these latter, the publication of the notices of payment or lists of drawings, etc.

Each year, the Board of the Caisse will appoint an auditor who will have to prepare a report on the accounting operations for the business year.

ARBITRATION

Article 13

Any dispute, in so far as it might not be settled under a decision of the Reparation Commission, which may arise between the Managing Board and the Commissioner for the States as to the interpretation or application of the present Statutes, will be referred to two arbitrators, one to be appointed by each party, within one month from the date when such arbitration was applied for; these arbitrators will between themselves appoint an umpire to decide between them if necessary. If the two arbitrators fail to agree on the choice of an umpire, the latter will be nominated by the Governor of the Bank of France.

The arbitral award will be final.

Article 14

As from the deposit of the present Statutes the Caisse Commune agrees to subrogate itself in complete independence, as against the holders of bonds of the Debt of the former Austro-Hungarian Monarchy, as defined in Article 4, to the obligations of those Succession or Cessionary States which have made their payments punctually; in regard to States which have not made their payments, the rights of the holders represented by the Caisse remain as defined in the contracts and the Treaties of Peace.

As from its foundation, the Caisse will henceforth be to the holders, both as regards the financial service and also as regards legal relations (proceedings for the stopping of payment, barring of debts etc.) in the place of the former Austro-Hungarian Monarchy, in so far as the payments due from the Succession or Cessionary States of the old Monarchy are punctually discharged.

AMENDMENTS TO THE STATUTES

Article 15

The present statutes may not be supplemented, enlarged upon, or altered without the unanimous consent of the holders associations participating through their several representatives in the operation of the Caisse, and that only within the limits laid down by the Innsbruck Protocol.

THE MANAGING BOARD OF THE "CAISSE COMMUNE"

Messrs. *Paul Gauthier,* Delegate of the Association Nationale Française, *Chairman;*
A. F. van Hall, Member of the Private Bank H. Oyens en Zoen, Amsterdam, *Vice-Chairman;*
Léon Keusters, Stockbroker, Antwerp, *Vice-Chairman;*

Mario Alberti, Director of the Credito Italiano;
Giuseppe Bianchini, General Director of the Associazone Bancaria Italiana;
J. Clerc, Secretary of the Association Suisse des Banquiers;
Sir Bernard Greenwell, Stockbroker, London;
R. A. Koechlin, Chairman of the Banque Commerciale de Bâle;
H. A. van Nierop, Managing Director of the Amsterdamzhe Bank;
Gustave Rendu, Delegate of the Association Nationale Française;
François van Roy, Managing Director of the Banque Centrale Anversoise;
L. W. Stewart, Banker, London;
Franz Urbig, Assistant Manager of the Discontogesellschaft;
Dr. Kurt Weigelt, Vice-Chairman of the Deutsche Bank.

Marcel Barde, Director of the Association Nationale Française, *General-Secretary.*